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ABSTRACT

The budget proposal presents New York State's recommendations regarding state support of public schools. The report is organized into five main sections (sample subsections in parentheses): overview of the fiscal year and school year (1982-83) changes in general support for public schools (provisions for public school support through a new fund structure); impact of general support formula proposals (impact on the big five cities'--New York, Buffalo, Rochester, Syracuse, and Yonkers--combined impact on districts in 17 largest counties); school year analysis of changes in individual aid formulas (recommended changes in operating aid, fiscal impact on school districts, excess costs for handicapped pupils); recommendations affecting other general support aids (magnet schools, formula based grant program); and additional appropriations affecting public schools (new policy proposals, other general fund aid programs such as bilingual education and adult high school education). (CL)

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DESCRIPTION

OF

1982-83 NEW YORK STATE

SPECIAL MESSAGE RECOMMENDATIONS

RELATING TO

STATE SUPPORT FOR PUBLIC SCHOOLS

This booklet describes major changes recommended in the Special Education Message for aids funded witnin the General Support for Public Schools appropriation and other appropriations affecting public schools. Detailed descriptions are provided for a 5-year school aid plan which includes a revenue source dedicated to aid for education and school property tax relief.

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EDUCATION UNIT
FEBRUARY 17, 1982

EC142190

FOREWORD

The descriptions provided within this report of recommendations presented in Governor Carey's Special Education Message on February 17, 1982 were prepared for use by school district officials, representatives of educational organizations, State officials, and other persons interested in information on the operation and impact of public school aid formulas on school districts in New York State.

Although other aspects of the State's budget may affect public school districts in some way, only appropriations which are directly administered by the State Education Department are covered in this booklet. This report is organized into four main sections which are described below:

SECTION I: Overview of Fiscal Year and School Year Changes in General Support for Public Schools

The first portion of this report summarizes both the fiscal year and school year aspects of the State-funded appropriations for General Support for Public Schools.

SECTION II: Impact of General Support Formula Propsals

This section describes the impact of the proposed school aid formulas on various areas of the State. Detailed information is provided for New York City and the other four large cities, the 17 largest counties and the Levittown districts.

SECTION III: School Year Analysis of Changes in Individual Aid Formulas

The purpose of this section is to describe the recommended formulas in all major aid categories. They are subdivided into those aid categories intended for the support of approved operating expenses, BOCES expenses, transportation expenses and building expenses.

SECTION IV: Recommendations Affecting Other General Support Aids

This section describes recommended proposals for two non-computerized General Support for Public Schools aid categories: Magnet School Aid and Aid to Cities.

SECTION V: Additional Appropriations Affecting Public Schools

The Executive Budget included recommendations for General Fund appropriations administered by the State Education Department, excluding General Support for Public Schools. This section describes changes to these appropriations in the program areas of Bilingual Education, Adult Education, In-Service Education and Education Management Improvement.

SECTION VI: Related Proposals

New policy proposals which would affect school districts are contained within the omnibus school aid bill. This section describes a maintenance of effort requirement, limitations in excessive expenditure increases, a three-year limit on prior year claims, a contingency budget proposal, and a revised payment schedule.

* * * * * *

Unless otherwise noted, figures for the 1981-82 State fiscal year reflect appropriations pursuant to the Laws of 1981 and figures for 1982-83 indicate Special Message recommendations.

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INTRODUCTION

Levittown

The constitutionality of New York State's system for apportioning school finance funds to local school districts is now under litigation in the State court system.

In June 1974, Levittown and 26 other urban, suburban, and rural districts initiated litigation challenging New York State's method of financing public education. They charged that the system denied equal protection under the law guaranteed under the provisions of Article I, Section 11 of the State Constitution and that the system fails to meet the obligation of the Education Article (Article XI, Section 1) which states:

> "The legislature shall provide for the maintenance and support of a system of free common schools wnerein all children of the State may be educated..."

Four of the State's five large cities, (New York, Buffalo, Rochester and Syracuse) joined the case in February, 1975. This second group of plaintiffs is commonly referred to as the plaintiffs-intervenors.

The trial began on April 21, 1976 with Justice L. Kingsley Smith presiding. On June 23, 1978 the Supreme Court of the State of New York, County of Nassau, held in Levittown v. Nyquist that New York State's method of financing public schools is unconstitutional in that it denies equal protection under the law and violates the Education Article of the State Constitution, as well as the 14th Amendment of the U.S. Constitution.

The 1978 Supreme Court decision was appealed to the Appellate Division, Second Department, which handed down its decision on October 26, 1981 with a majority affirming the lower court's ruling in most significant respects. They differed from the court below in finding that the federal equal protection clause was not violated by the aid system applied to the big cities. Although changes had been made in the aid formula structure between 1974, when the case was first filed, and 1981, when the Appellate Court ruled, the court found these changes to "...have had no substantial effect in alleviating the conditions flowing from the educational finance structure."

The decision has been appealed to the New York State Court of Appeals and is scheduled to be heard by that court on May 10, 1982.

Special Task Force On Equity And Excellence In Education

In 1978, in response to the Levittown decision, Governor Hugh L. Carey and Board of Regents' Chancellor, Theodore M. Black, appointed a 34 member Special Task Force on Equity and Excellence in Education, chaired by Max J. Rubin. The Task Force was charged with the development of new strategies for the reform of the New York State school finance system.

The Task Force, which represented school districts, government, business, labor, education and community organization, agreed on four basic equity goals to guide their efforts:

(1) Expenditure gaps should be narrowed with an adequate level of support guaranteed to all children.

(2) Fiscal capacity of districts should be equalized.

(3) Special needs of individual children should be adequately provided for.

(4) Improvement of the measure of district wealth should be explored.

On February 3, 1982, after three years of research and study, the Task Force produced their final recommendations. Although there were differing points of view on how to achieve the above goals, there was substantial consensus on many of the basic issues. Of the 32 members voting on the final recommendations, more than 60% voted for:

-- School aid statutes designed with percentiles of spending, with a Tier I operating aid ceiling at or above the 50th percentile of pupil expenditures,

-- Phase out of the flat grant provision of the operating aid formula,

-- Phase out of the saveharmless provision of the operating aid formula,

-- Active enrollment used in the pupil count, either alone or in combination with attendance,

-- Maintenance of effort provision requiring districts with below average expenditures to use their State aid increases to enrich education programs,

-- Increased weightings for pupils with special educational needs and students with limited English proficiency,

-- Consolidation of public and private excess cost aid for pupils with handicapping conditions, with an increase in the State share of approved costs,

-- An equalized aid formula for the education of gifted and talented pupils,

-- Continuation of the current .25 weighting for secondary students,

-- Rural overburden aid,

-- A constitutional amendment to modify the existing tax limits applicable to small city school districts,

-- Use of operating aid pupil counts in building aid formula, and

-- Use of income wealth in combination with property wealth in the district wealth measure.

A majority also favored limitations on expenditure increases in high expenditure districts,

Due to the timing of the Task Force report, specific school aid recommendations were not included in the Executive Budget presented on January 19. Rather, appropriations were recommended to provide funds for remaining 1981-82 school year obligations and to fund a reserve for fall/winter school aid payments in the 1982-83 school year pursuant to a Chapter of the Laws of 1982.

After careful consideration of the recommendations of the Special Task Force on Equity and Excellence in Education, the Governor presented his proposal within the Special Education Message to the Legislature on February 17, 1982.

Special Message

"In the education of children, the demands of morality are as compelling as the commands of legality." (Max J. Rubin, February 1, 1982) Regardless of how the Court of Appeals interprets the State Constitution, the lower court decision in the Levittown case describes problems inherent in the present system and highlights the need for greater equalization within the State's school finance system. Therefore, even if the existing system were to be upheld as constitutional, the decisions of the lower courts, as well as the findings of the Task Force on Equity and Excellence in Education, point out the need for a better school finance system.

Within the past few months, the Regents and the Educational Conference Board have also presented proposals addressing the shortcomings of the current system, putting forth valuable ideas for solutions to the current problems.

On February 17, 1982, Governor Hugh L. Carey released a Special Message on Education, with recommendations for a major reform of the school finance structure in New York State. His proposals call for self-adjusting aid formulas, establish a dedicated revenue fund for the support of public schools, and provide for property tax relief.

Highlights of School Finance Proposal

The plan proposed by the Governor would provide a $2.7 billion increase in aid to education over the next five years. Thus, by 1986-87, the State would be assuming 50 percent of the cost of education in New York State which is projected at $6.9 billion. The new formula structure would generate a $740 million increase in the 1982-83 school year. In three years, when the aid formula changes are fully implemented, General Support for Public Schools would increase $1.7 billion, 41 percent over current levels.

Significant formula changes include:

-- 27% increase in the operating aid ceiling for the 1982-83 school year.

-- Flat grant reduction.

-- Save-harmless phaseout.

-- Use of enrollment in combination with attendance.

-- Increased share of handicapped costs.

-- Equalized formula for transportation.

-- Self-adjusting formula factors.

-- Rural correction aid.

-- Property tax relief aid.

Property tax relief aid would provide approximately $200 million annually to districts of lower wealth and high property taxes to relieve their taxpayers of the disproportionate burden they bear for quality education of their youngsters.

A maintenance effort provision requiring low expenditure districts to use State aid increases for program enrichment, along with a penalty provision for excessive expenditure increases in higher expenditure districts will serve to narrow the existing expenditure gap.

SECTION I
OVERVIEW OF FISCAL YEAR AND SCHOOL YEAR CHANGES IN GENERAL SUPPORT FOR PUBLIC SCHOOLS

This section summarizes both the school year and fiscal year aspects of the State-funded appropriation for General Support for Public Schools and Prior Year Claims for General School Support in the 1982-83 school year. The discussion of the fiscal year impact describes the projected five-year increase in school aid of $2.7 billion and the recommended Educational Equity Fund. When State aid for public schools equals $6.5 billion in the 1986-87 school year, the State share of State and local costs will be 50 percent.

1982-83 SCHOOL YEAR (7/1/82-6/30/83)

During the 1981-82 school year (7/1/81 to 6/30/82), $4,251.08 million is expected to be distributed through over 20 different aid categories, supporting the education of 2.75 million students in 702 major school districts in New York State. (A major school district is defined as having eight or more teachers.)

The Special Message recommendations include a five-year plan for raising the State share of school district costs to 50 percent. In the first year of implementation, 1982-83, aid would increase $741.71 million to $4,992.79 million (an increase of 17.45 percent) for 703 major districts. Combined operating aids (the aids intended for the support of approved operating expenses) would increase 22.47 percent, and excess cost aids for the handicapped programs would increase 36.62 percent.

The $741.71 school aid increase proposed for the 1982-83 school year is twice as large as any State aid increase ever enacted in New York State.

Table 1 compares 1981-82 school year allocations with 1982-83 school year recommendations by aid category. Two new aids appear within computerized Section 3609 aids. Rural correction aid is recommended to alleviate special problems faced by small, low-wealth, sparse districts. A total of $10.27 million is proposed for 100 districts within 25 counties.

Property tax relief aid is proposed to provide $196.22 million for 350 districts of relatively lower wealth and higher tax rates, to reduce the heavy reliance on the property tax for the support of education in these districts.

When the operating expense aid categories shown on Table 1 are combined, they equal $4,103.20 million, an average of $1,372 per pupil. Seventy percent of the pupils (located in 409 major districts) are in districts in which State operating expense aids assistance would be more than $1,350 per pupil, including 100 districts where State operating expense aid is expected to exceed $1,800 per pupil in the 1982-83 school year.

TABLE 1

SUMMARY OF AIDS FINANCED THROUGH THE GENERAL SUPPORT FOR PUBLIC SCHOOLS, PRIOR YEAR CLAIMS AND BUILDING AID APPROPRIATIONS AS AFFECTED BY SPECIAL MESSAGE RECOMMENDATIONS
— NEW YORK STATE —

Aid Category Groups	1981-82 School Year	1982-83 School Year	Change from 1981-82 to 1982-83 Amount	Percent
	(——Amounts In Millions——)			
I. Computerized §609 Aids				
Operating Aids:				
Basic Operating	$2,954.52	$3,431.24	$ 476.72	16.13%
Categorical Reading	20.25	—	- 20.25	-100.00
Low Income	25.19	—	- 25.19	-100.00
Adult Education	—	11.00[a]	11.00	—
Summer School	—	13.07	13.07	—
Diagnostic Screening	9.88	—	- 9.88	-100.00
Gifted And Talented	3.00	7.82	4.82	160.67
Limited English Proficiency	3.70	8.66	4.96	134.41
High Tax	23.08	—	- 23.08	-100.00
Property Tax Relief	—	196.22	196.22	—
Rural Aid	—	10.27	10.27	—
Excess Cost	294.17	401.90	107.73	36.62
Special Services	15.03	21.97	6.94	46.17
Reorganization Incentive-Operating	1.44	1.05	- 0.39	- 27.08
Sub Total	$3,350.26	$4,103.20	$ 752.94	22.47%
Transportation	444.56	458.96	14.40	3.24
Building (W/O BANS)	193.27	185.02	- 8.25	- 4.27
Reorganization Incen.-Building	2.52	2.91	0.39	15.48
BOCES Operating	97.17	105.04	7.87	8.10
Sub Total of Computerized Aids	$4,087.78	$4,855.13	$ 767.35	18.77%
II. Other §3609 Aids				
Special Districts	0.65	0.70	0.05	7.69
BOCES Facilities, Rentals and CVEEB	11.68	10.04	- 1.64	14.04
Section 4407 Deduction	- 5.03	- 5.40	- 0.37	- 7.36
Sub Total of Section 3609	$4,095.08	$4,860.47	$ 765.39	18.69%
III. Grant Programs and Other Aid Categories				
Magnet Schools	—	4.00	4.00	—
Asbestos	1.75	—	- 1.75	-100.00
Incentive Grants	10.00	—	- 10.00	-100.00
Building BANS	20.00	20.00	—	—
Textbooks	49.37	47.65	- 1.72	- 3.48
Education of OMH/OMR	13.62	17.17	3.55	26.07
Aid to Cities	40.26	27.50	- 12.76	- 31.69
Refund Credit	- 4.00	- 4.00	—	—
TOTAL CURRENT YEAR	$4,226.08	$4,972.79	$ 746.71	17.67%
Prior Year Adjustments	25.00	20.00	- 5.00	- 20.00
GRAND TOTAL	$4,251.08	$4,992.79	$ 741.71	17.45%

[a] Includes $4 million estimate required to reduce waiting lists. This amount is not shown on the accompanying computer runs.

SOURCE: Based on data in State Education Department computer runs of February 17, 1982.

1982-83 STATE FISCAL YEAR (4/1/82 - 3/31/83)

The omnibus aid bill which accompanies the Special Message, plus the previously introduced Executive Budget bill for aid to localities, contains appropriations for General Support for Public Schools, Prior Year Claims for General School Support, and School District Building Aid totaling $4,676.32 million for the 1982-83 State fiscal year (April 1, 1982 to March 31, 1983). These three appropriations reflect an increase of $529.88 million from $4,146.44 million in the 1981-82 State fiscal year.

The $4,676.32 million allocation would be comprised of:

-- A $2,871.35 million appropriation from the General Fund for payments remaining from the 1981-82 school year for General Support for Public Schools (including Prior Year Claims and School District Building Aid);

-- A $1,748 million appropriation from a new Educational Equity Fund to provide for fall/winter payments for General Support for Public Schools in the 1982-83 school year;

-- A $10 million appropriation from the Educational Equity Fund to provide for Prior Year Claims for General Support in the fall/winter payment quarters;

-- A $46.97 million appropriation from the Capitol Projects Fund to fund fall/winter payments for School District Building aid (building aid, reorganization incentive - building aid, and building BANS).

Beginning in the 1982-83 school year, the omnibus aid bill provides that aid for public schools would be supported by a new fund structure. Whereas, in the 1981-82 State fiscal year, appropriations for school aid were made from the General Fund, including Lottery Funds, in the future, appropriations would be made from a new Educational Equity Fund, for General Support for Public Schools and Prior Year Claims for General Support, and an appropriation for School District Building Aid would be made from the Capitol Projects Fund.

The new Educational Equity Fund would receive major funding from the State Lottery and the New York State sales tax which would be increased from four percent to five percent, effective June 1, 1982. Until April 1, 1983, only the one percent increase and the State Lottery receipts would be applied to the Educational Equity Fund. Thereafter, all sales tax receipts would go into the fund for the support of education.

Table 2 shows a detailed breakout of the 1981-82 and 1982-83 fiscal years in terms of appropriation authority and estimated fall/winter and spring school aid payments.

These recommendations include an accelerated payment schedule for Section 3609 aids (exclusive of building aids) which is discussed more fully in Section VI. This payment schedule will result in an increased percentage of the total school year aid being paid out in the fall/winter quarters in 1982-83, and this percentage will continue to increase in subsequent years as the State share of educational spending increases. The following text table summarizes the projected school year aid totals and fall/winter payments for General Support for Public Schools, Prior Year Claims for General Support, and School District Building Aid combined over the next five years, including the percentage of school year aid which is paid out in the fall/winter payment quarters and the relative amounts of money which can be attributed to the accelerated payment schedule each year, on an incremental basis.

Year	Projected Total School Year Aid	Projected Fall/ Winter Aid Payments	Percentage of School Year Total	Incremental Amount Due to Accelerated Payments[a]
	(--------Dollar Amounts	in Millions----------		)
1981-82	$4,251	$1,380[b]	32.5	--
1982-83	4,993	1,805	36.2	$183
1983-84	5,557	2,251	40.5	244
1984-85	5,989	2,562	42.8	135
1985-86	6,472	2,819	43.6	51
1986-87	6,933	3,081	44.4	58

a. Equal to the current year percentage minus the base year percentage multiplied by the current year aid. Results are inexact due to rounding.

b. This figure based on 1981-82 appropriations rather than expenditure estimates.

As the above table indicates, the payment schedule included with these recommendations will automatically move the State toward earlier aid payments over the next five years. This new schedule is designed to give districts 70 percent of their State and local revenues by April 1.

The projected school year aid levels and the recommended payment schedule are estimated to produce the following fiscal year appropriation levels for General Support for Public Schools, Prior Year Claims for General Support, and School District Building Aid: $4,676 million in 1982-83; $5,439 million in 1983-84; $5,868 million in 1984-85; $6,247 million in 1985-86; and $6,734 million in 1986-87.

TABLE 2

GENERAL SUPPORT FOR PUBLIC SCHOOLS, PRIOR YEAR CLAIMS, AND SCHOOL DISTRICT BUILDING AID (4/1/82 TO 3/1/83)

	Fiscal Year Estimates	
	1981-82	1982-83
	(-------000,000------)	
Appropriations (All Funds)	$4,129.30	$4,676.32
Deficiency Appropriation	17.14[a]	
Carry-in from Previous Year	4.64	
Total Available Appropriation Authority	4,151.08	4,676.32
Anticipated Expenditures[a]	4,133.94	4,693.46
Spring	2,771.35	2,888.49
Fall/Winter	1,362.59	1,804.97[b]

a. It is anticipated that the $17.14 million deficiency appropriation for 1981-82 fall/winter aid payments will be spent after April 1, 1982.

b. This amount includes $1,748 million for General Support for Public Schools, $10 million for Prior Year Claims for General Support, and $46.97 million for School District Building Aid.

SECTION II
IMPACT OF GENERAL SUPPORT FORMULA PROPOSALS

Based on computer runs prepared by the State Education Department, the impact of the Special Message recommendations was analyzed for various groups of districts.

IMPACT ON THE BIG FIVE CITIES

Within New York State, there are five fiscally dependent school districts located in cities with a population of more than 125,000. They are New York, Buffalo, Rochester, Syracuse, and Yonkers.

The total statewide increase for Section 3609 major aid categories and aid to cities is $754.60 million, from $4,128.04 million in the 1981-82 school year to $4,882.64 million in 1982-83. The big five cities are projected to receive $333.12 million (or 47.91 percent) of the statewide increase. Table 3 shows that under the 1982-83 school year recommendations, the State's big five cities are expected to receive an estimated $1,762.02 million or 36.09 percent of the State total General Support for education. Their share of the fall 1980 enrollment was 37.3 percent.

Table 4 provides a list of the aid amounts allocated to each of the big five city school districts under 15 different General Support programs. All five are expected to receive aid increases ranging from $2.59 million (or 7.86 percent) in Syracuse to $310.55 million (or 25.13 percent) in New York City. The largest dollar gains are projected for operating aid. Increases are also expected in excess cost aid, transportation, gifted and talented aid programs, limited English proficiency, and special services. All the big cities, except for Yonkers, would receive State aid under the new property tax relief program. In addition, Buffalo, Rochester, and Syracuse would receive a total of $4.00 million under the magnet school program as described in Section IV of this report.

Table 5 presents a more detailed analysis of the impact of the Special Message recommendations on New York City. Under this proposal, New York City would receive substantial aid increases in operating aid, $186.57 million (or 21.14 percent); excess cost aid, $60.02 million (or 48.60 percent); and transportation, $8.53 million. New York is also scheduled to receive a total of $60.00 million under the property tax relief program, $2.40 million in gifted and talented aid, $7.21 million in limited English proficiency, and $15.33 million in special services.

(Text continues on page 14)

TABLE 3

PUBLIC SCHOOL AID
PAYMENTS TO BIG FIVE CITIES
AND ALL OTHER DISTRICTS AS A PERCENT OF THE STATE TOTAL

— 1982-83 SCHOOL YEAR—

Aid Category	Big 5 Cities Amount (millions $)	Big 5 Cities % of State Total	All Other Districts Amount (million $)	All Other Districts % of State Total
Operating	$1,215.67	35.43%	$2,215.57	64.57%
Adult Education	4.60	65.78	2.39	34.22
Summer School	3.96	30.31	9.11	59.69
Gifted & Talented	2.74	35.05	5.08	64.95
Limited English Proficiency	7.75	89.49	0.91	10.51
Rural Correction	0	0	10.27	100.00
Excess Cost	208.66	51.92	193.24	48.08
Property Tax Relief	62.62	31.91	133.61	68.09
Special Services	21.97	100.00	0	0
Reorganization Incentive: -Operating	0	0	1.05	100.00
SUBTOTAL	1,527.97	37.27	2,571.23	62.73
BOCES	0	0	105.04	100.00
Transportation	185.97	40.52	272.98	59.48
Building	44.08	23.83	140.94	76.17
Reorganization Incentive: -Building	0	0	2.91	100.00
Aid to Cities	0	0	27.50	100.00
Magnet Schools	4.00	100.00	0	0
TOTAL	$1,762.02	36.09%	$3,120.62	63.91%

* * * * *

Pupil Count Category	Number	% of State	Number	% of State
1980 Fall Enrollment	1,065,895	37.3%	1,794,476	62.7%
1981-82 TAPU for Expense	1,380,578	39.7%	2,092,297	60.3%

Source: Based on data in State Education Department computer run of February 17, 1982.

TABLE 4

SUMMARY OF AIDS FINANCED THROUGH THE GENERAL SUPPORT FOR PUBLIC SCHOOLS APPROPRIATION

— BIG FIVE CITY SCHOOL DISTRICTS —

	New York City		Buffalo		Rochester		Syracuse		Yonkers	
	1981-82	1982-83	1981-82	1982-83	1981-82	1982-83	1981-82	1982-83	1981-82	1982-83
	(Dollar Amounts In Millions)									
Operating Aid	$ 882.43	$1,069.00	$52.71	$67.65	$29.97	$37.00	$20.66	$25.40	$11.74	$16.62
Adult Education	—	3.63	—	0.38	—	0.47	—	0.12	—	--
Summer School	—	2.78	—	0.84	—	0.11	—	0.23	—	--
Low Income	7.00	—	0.35	—	0.24	—	0.15	—	0.10	—
Categorical Reading	5.00	—	8.75	—	1.00	—	3.00	—	2.50	—
Diagnostic Screening	3.13	—	0.17	—	0.14	—	0.08	—	0.07	—
Gifted & Talented	0.92	2.40	0.05	0.16	0.04	0.09	0.02	0.06	0.02	0.04
Limited English Proficiency	3.11	7.21	0.05	0.14	0.08	0.21	0.02	0.05	0.05	0.14
Handicapped Aids	123.50	183.51	7.23	9.58	5.42	8.37	2.95	3.61	2.13	3.58
Property Tax Relief	—	60.00	0.07	1.36	—	0.75	0.12	0.51	—	—
Special Services	11.30	15.33	2.62	3.04	0.56	2.89	0.45	0.61	0.12	0.09
Sub Total	$1,036.39	$1,343.86	$72.00	$83.15	$37.45	$49.89	$27.45	$30.59	$16.73	$20.47
Transportation	156.70	165.23	8.36	9.40	5.78	6.94	3.20	3.08	1.30	1.33
Building	38.52	36.82	1.69	1.74	3.06	3.04	1.32	1.35	0.87	1.13
TOTAL	$1,231.61	$1,545.91	$82.05	$94.29	$46.29	$59.87	$31.97	$35.02	$18.90	$22.93
Improving Pupil Performance	3.75	—	3.03	—	1.71	—	0.96	—	0.54	—
Magnet Schools	—	—	—	3.00	—	0.50	—	0.50	—	—
TOTAL	$1,235.36	$1,545.91	$85.08	$97.29	$48.00	$60.37	$32.93	$35.52	$19.44	$22.93
Change from 1981-82 School Year										
Amount		+$ 310.55		+$12.21		+$12.37		+$ 2.59		+$ 3.49
Percent		+ 25.13%		+ 14.35%		+ 25.77%		+ 7.86%		+17.95%

SOURCE: Based on data in State Education Department computer run of February 17, 1982.

TABLE 5

SUMMARY OF AIDS FINANCED THROUGH THE GENERAL SUPPORT
FOR PUBLIC SCHOOLS, PRIOR YEAR CLAIMS, AND BUILDING AID APPROPRIATIONS
— NEW YORK CITY —

Aid Category Groups	1981-82 School Year	1982-83 School Year	Change from 1981-82 to 1982-83 Amount	Percent
	(-----Amounts In Millions------)			
I. Computerized §3609 Aids				
Operating Aids:				
Basic Operating	$ 882.43	$1,069.00	$ 186.57	21.14%
Categorical Reading	5.00	---	- 5.00	-100.00
Low Income	7.00	---	- 7.00	-100.00
Adult Education	---	3.63	3.63	
Summer School	---	2.78	2.78	
Diagnostic Screening	3.13	---	- 3.13	-100.00
Gifted And Talented	0.92	2.40	1.48	160.87
Limited English Proficiency	3.11	7.21	4.10	131.83
High Tax	---	---	---	---
Property Tax Relief	---	60.00	60.00	
Rural Aid	---	---	---	---
Excess Cost	123.49	183.51	60.02	48.60
Special Services	11.30	15.33	4.03	35.66
Reorganization Incentive-Operating	---	---	---	---
Sub Total	$1,036.38	$1,343.86	$ 307.48	29.67%
Transportation	156.70	165.23	8.53	5.44
Building (W/O BANS)	38.52	36.82	- 1.70	- 4.41
Reorganization Incen.-Building	---	---	---	---
BOCES Operating	---	---	---	---
Sub Total of Computerized Aids	$1,231.60	$1,545.91	$ 314.31	25.52%
II. Other §3609 Aids				
Special Districts	---	---	---	---
BOCES Facilities, Rentals and CVEEB	---	---	---	---
Section 4407 Deduction	- 1.94	- 1.90	0.04	2.21
Sub Total of Section 3609	$1,229.66	$1,544.01	$ 314.35	25.56%
III. Grant Programs and Other Aid Categories				
Magnet Schools	---	---	---	---
Asbestos	0.69	---	- 0.69	
Incentive Grants	3.75	---	- 3.75	
Building BANS	---	---	---	---
Textbooks	17.83	17.20	- 0.63	- 3.53
Education of OMH/OMR	5.00	5.45	0.45	9.00
Aid to Cities	---	---	---	---
Refund Credit	---	---	---	---
TOTAL CURRENT YEAR	$1,256.93	$1,566.66	$ 309.73	24.64%
Prior Year Adjustments	5.00	10.00	5.00	100.00
GRAND TOTAL	$1,261.93	$1,576.66	$ 314.73	24.94%

SOURCE: For 1981-82 School year, February 8, 1982 SED official estimates. For 1982-83 School year, SED computer run February 17, 1982.

COMBINED IMPACT ON SCHOOL DISTRICTS IN 17 LARGEST COUNTIES

Table 6 is a summary of the computerized General Support combined aids for the State's 17 largest counties, New York City, and the rest of the State. New York City shows an increase of $314.32 million or 25.52 percent. Together, the 17 largest counties are scheduled to receive an estimated $2,329.26 million or 48.11 percent of the State total combined aids. This amount represents a net total increase of $311.78 million (or 15.45 percent) over the base year. Of the 17 counties, Suffolk would receive the largest aid increase, $128.63 million or 27.48 percent.

The remainder of the counties in the State outside of the 17 largest counties and New York City would receive $966.08 million in combined aids which represents 19.96 percent of the State total. The 337 districts in these counties would have a total net aid increase of $136.21 million or 16.41 percent over the base year aid amount.

IMPACT ON LEVITTOWN DISTRICTS

The impact of the Special Message recommendations on operating-type aids for Levittown districts is provided in Table 7. As a group, the 30 original plaintiffs and plaintiffs-intervenors in the Levittown school finance case, show an increase in operating aids of $405.02 million or 28.21 percent, from $1,435.63 million in the 1981-82 school year to $1,840.65 million under the 1982-83 proposal. Their pecentage share of the State total in operating-type aid categories would also grow from 42.73 percent in 1981-82 to 44.86 percent under the 1982-83 recommendations.

The four plaintiff-intervenors (New York City, Buffalo, Rochester, and Syracuse) are scheduled to receive a total amount of $1,511.50 million in total operating-type aids -- 36.84 percent of the statewide total of $4,103.2 million.

(Text continues on page 17)

TABLE 6

SUMMARY OF COMBINED SECTION 3609 AIDS[a] FOR 1981-82 AND 1982-83 SCHOOL YEARS:
17 LARGEST COUNTIES, NEW YORK CITY, AND REST OF STATE

Area	1981-82 Combined Aids	1982-83 Combined Aids	Change in Aid from 1981-82 to 1982-83 Amount	Change in Aid from 1981-82 to 1982-83 Percent	Number of Districts[b] With Aid Increase	Number of Districts[b] With Aid Decrease
	(Dollar Amounts in Thousands)					
Albany	$ 46,043	$ 48,902	$ 2,859	6.21%	8	5
Broome	63,739	68,159	4,420	6.93	10	2
Chautauqua	45,832	52,482	6,650	14.51	17	2
Dutchess	62,231	72,751	10,519	16.90	9	4
Erie	252,103	279,276	27,173	10.78	24	4
Monroe	160,678	183,599	22,922	14.27	13	5
Nassau	260,979	276,777	15,798	6.05	33	23
Niagara	65,394	74,023	8,629	13.19	10	-
Oneida	77,355	89,065	11,710	15.14	18	-
Onondaga	127,929	143,196	15,267	11.93	15	3
Orange	83,546	100,280	16,734	20.03	15	1
Rensselaer	43,606	54,063	10,457	23.98	12	-
Rockland	57,568	66,420	8,852	15.37	6	1
Schenectady	31,526	35,685	4,159	13.19	6	1
Suffolk	468,145	596,778	128,633	27.48	43	22
Ulster	38,979	44,748	5,768	14.80	7	2
Westchester	131,862	143,060	11,198	8.49	12	28
17 Largest Counties	$2,017,488	$2,329,264	$311,776	15.45%	258	103
New York City	1,231,594	1,545,919	314,325	25.52	1	-
Rest of State	829,867	966,077	136,210	16.41	303	34
TOTAL STATE	$4,078,949	$4,841,260	$762,311	18.68%	560	139

[a] Includes basic operating, categorical reading, low income, adult, summer school, diagnostic screening, gifted and talented, limited English proficiency, high tax, property tax relief, rural correction, excess cost, special services, reorganization incentive (operating and building), transportation, building, and BOCES operating aids.

[b] Excludes 4 districts for which data are not available.

Source: Based on data in State Education Department computer run of February 17, 1982.

TABLE 7

IMPACT OF SPECIAL MESSAGE RECOMMENDATIONS ON OPERATING AIDS FOR LEVITTOWN DISTRICTS

District Category	1980-81 FV/TWPU	1981-82 ADE/TAPU	1981-82 Operating Aids	1982-83 Operating Aids	$ Change	% Difference
			(----------In Thousands--------)			
Plaintiffs-Intervenors						
New York City	$73,737	$2,181	$1,040,126	$1,343,870	$303,744	29.20%
Buffalo	54,638	2,058	75,045	86,141	11,096	14.79
Rochester	72,112	2,585	39,153	50,399	11,246	28.72
Syracuse	71,164	2,107	28,423	31,089	2,666	9.39
Original Plaintiffs						
Levittown	51,978	2,975	15,455	18,633	3,178	20.56
Brentwood	34,739	2,803	29,881	42,378	12,497	41.82
Roosevelt	39,896	2,315	6,702	8,333	1,631	24.33
Commack	59,774	3,413	15,313	17,061	1,748	11.41
Copiague	54,062	2,764	7,404	9,896	2,492	33.65
Lindenhurst	47,014	2,514	12,713	17,274	4,561	35.88
Brookhaven-Comsewogue	44,034	2,526	8,220	11,491	3,271	39.79
South Country	46,992	2,069	7,862	10,753	2,890	36.76
Middle Country	36,470	2,559	25,705	35,285	9,580	37.26
Bayport-Blue Point	53,045	2,804	4,220	6,056	1,836	43.51
South Huntington	74,580	3,110	9,207	10,787	1,580	17.15
Sachem	41,761	2,033	29,880	41,159	11,279	37.74
Guilderland	78,458	2,651	5,356	5,451	95	1.77
Burnt Hills-Ballston Lake	53,814	2,305	5,720	6,873	1,154	20.17
Saratoga Springs	60,552	1,740	8,190	10,067	1,878	22.93
Scotia-Glenville	64,530	2,270	4,111	4,561	450	10.95
Shenendehowa	59,002	2,026	11,731	12,972	1,242	10.58
Schenectady	67,602	2,231	10,244	12,525	2,281	22.26
Churchville-Chili	54,639	2,275	5,141	6,545	1,403	27.29
Marathon	43,387	1,798	1,466	1,869	403	27.45
South Kortright	69,883	2,221	608	838	230	37.81
Clyde-Savannah	42,896	2,179	2,109	2,578	469	22.25
Mahopac	65,777	2,906	6,308	8,450	2,142	33.96
Knox Memorial	39,590	1,902	848	1,130	282	33.27
Lakeland	61,211	2,956	9,624	13,210	3,586	37.26
East Islip	47,562	2,921	8,863	12,978	4,115	46.42
Subtotal-Plaintiffs			$1,435,628	$1,840,652	$405,024	28.21%
Rest of State			1,924,088	2,262,548	338,460	17.59
Total State			$3,359,716	$4,103,200	$743,484	22.19%

SECTION III
SCHOOL YEAR ANALYSIS OF CHANGES IN INDIVIDUAL AID FORMULAS

The purpose of this section is to describe the recommended formulas in all major aid categories. They are subdivided into those aid categories intended for the support of approved operating expenses, BOCES expenses, transportation expenses, and building expenses.

Although the recommended plan encompasses a five-year period, all formula factors would be fully phased in by the third year. Therefore formulas indicate changes for 1982-83, 1983-84, and 1984-85. The formulas of 1984-85 would continue thereafter, except where provisions are made for self-adjusting factors.

A description of the major formulas and their Statewide impact follows. The actual formulas appear in Appendix A with a table of the pupil counts to be used within the formulas in Appendix B.

The accompanying computer runs, and noted tables do not include data for Limestone (Cattaraugus County), Batavia (Genesee County), South Orangetown (Rockland County), and Edinburg (Saratoga County).

COMBINED OPERATING AIDS

There are several types of aid that are intended for the support of district approved operating expenses. The proposed structure of this formula package combines certain aid categories and subdivides others. 1981-82 combined operating aids include basic operating aid, low income supplemental school aid, categorical reading, diagnostic screening aid, gifted and talented aid, limited English proficiency aid, public and private excess cost aids, high tax aid, special services aid, and reorganization incentive operating aid. 1982-83 combined operating aids include basic operating aid, adult education aid, summer school aid, gifted and talented aid, limited English proficiency aid, rural correction aid, excess cost aid, property tax relief aid, special services aid, and reorganization incentive operating aid. Table 8 shows the combined impact of these proposed formulas.

(Text continues on page 20)

TABLE 8

CHANGE IN COMBINED OPERATING AIDS[a] FROM THE 1981-82 TO THE 1982-83 SCHOOL YEAR:
17 LARGEST COUNTIES, NEW YORK CITY, AND REST OF STATE

Area	1981-82 Operating Aids[b]	1982-83 Operating Aids[c]	Change in Aids from 1981-82 to 1982-83 Amount	Change in Aids from 1981-82 to 1982-83 Percent	Number of Districts[d] With Aid Increases	Number of Districts[d] With Aid Decreases
	(Amounts in Thousands)					
Albany	$ 36,099	$ 39,608	$ 3,509	9.72%	9	4
Broome	52,724	57,795	5,070	9.62	12	-
Chautauqua	38,037	44,804	6,767	17.79	18	1
Dutchess	49,082	59,559	10,477	21.35	13	-
Erie	210,533	237,371	26,838	12.75	27	1
Monroe	125,122	149,708	24,587	19.65	17	1
Nassau	210,770	228,574	17,804	8.45	37	19
Niagara	55,101	63,814	8,712	15.81	10	-
Oneida	65,122	76,441	11,319	17.38	18	-
Onondaga	104,820	120,555	15,735	15.01	16	2
Orange	66,668	83,307	16,640	24.96	16	-
Rensselaer	35,875	45,937	10,062	28.05	12	-
Rockland	43,792	53,613	9,821	22.43	6	1
Schenectady	26,309	30,739	4,429	16.84	7	-
Suffolk	384,546	508,570	124,024	32.25	44	21
Ulster	29,653	36,144	6,491	21.89	8	1
Westchester	101,348	113,695	12,347	12.18	14	26
17 Largest Counties	$1,635,601	$1,950,232	$314,632	19.24%	284	77
New York City	1,036,378	1,343,870	307,492	29.67	1	-
Rest of State	670,461	796,885	126,424	18.86	309	28
TOTAL STATE	$3,342,440	$4,090,988	$748,548	22.40%	594	105

Footnotes appear on next page.

[a] Includes all aids intended for the support of Approved Operating Expenses.

[b] Includes basic operating aid, low income aid, categorical reading aid, diagnostic screening aid, gifted and talented aid, limited English proficiency aid, public and private excess cost aids, high tax aid, special services aid, and reorganization incentive operating aid.

[c] Includes basic operating aid, adult education aid, summer school aid, gifted and talented aid, limited English proficiency aid, rural correction aid, excess cost aid, property tax relief aid, special services aid and reorganization incentive operating aid.

[d] Excludes 4 districts for which data are not available.

Source: Based on data in State Education Department computer run of February 17, 1982.

OPERATING AID

Operating Aid is currently based on a two-tier formula which applies a property-wealth-based ratio (with a 49 percent State share) to $1,650 on the first tier, and an income-wealth-based ratio (with a 20 percent State share) to $235 on the second tier. All pupil counts are based on students in average daily attendance with weightings applied to half-day kindergarten, secondary, PSEN, summer, and evening students. A flat grant provision guarantees each district $360 per pupil; for 1981-82 save-harmless and special aid provisions guarantee each district the amount of operating aid it received in the base year.

Recommended Changes

The proposed formula is basically a continuation of the two-tier structure, as recommended by the Task Force. The first tier would continue to be based on property wealth per pupil with a 49 percent State share. The second tier would move from the sole use of income to an additive income/property approach. $150 would be aided on an income-per-pupil ratio and $100 on a full value-per-pupil ratio, both with a 20 percent State share. (For the sake of clarity, these ceilings will be referred to hereafter as Tier 2 and 3.)

The operating aid ceilings would be tied to pupil expenditure percentiles. Thus, the ceilings would self-adjust each year. The third tier ceiling would be set at the 70th pupil percentile (the point at which 70th percent of the pupils in the State have a lower expenditure level). The second tier ceiling would be set $100 less than the third, and the first at $150 less than the second. For the 1982-83 school year, the ceilings would be $2,150, $2,300 and $2,400. Aid would be paid on the first and second tiers without regard to school district expenditures. On Tier 3, districts would only be aided on the amount they "earn" between $2,300 and $2,400.

The pupil count used for the determination of per pupil expenditure (Total Aidable Pupil Units for Expense) would be based on Active Enrollment with additional weightings for handicapped and limited English proficiency students added to the existing weightings. The pupil count used for the determination of district wealth (Total Wealth Pupil Units) and the count used for the distribution of aid (Total Aidable Pupil Units for Payment) would be based on 50 percent Average Daily Attendance and 50 percent Active Enrollment. These changes would affect all forms of aid using these pupil counts. (Since active enrollment data would not be collected until the 1982-83 school year, Average Daily Membership would be substituted in TAPU for 1982-83 and in TWPU for aid payable in 1982-83 and 1983-84.) See Appendix B for details of the construction of pupil counts.

Currently, the PSEN weighting of .25 is applied to a percentage of the student population, determined by the 1974-75 PEP tests. This proposal would use test scores from 1977 through 1980 with a moving four-year average used thereafter. To offset a decrease in aid resulting from the improved test scores, the weighting would be increased from .25 to .30. To ensure that in future years PSEN aid would represent approximately the same proportion of operating aid, the weightings would self-adjust between .25 and .35.

Adult and summer weightings would be removed from the payment TAPU. Adult and summer aid would be distributed as separate categorical forms of aid.

The minimum guarantee provision would be reduced over a three-year period, remaining at $360 for 1982-83, $280 for 1983-84 and $200 per pupil thereafter.

The save-harmless provision would be phased out over a three-year period. Each district would be guaranteed a percentage of the operating aids base. In 1982-83, districts with full value per pupil at twice the Statewide average or less would be guaranteed 100 percent of the base. The percentage would taper to 75 percent for districts with full value per pupil greater than or equal to three times the average. In 1983-84, districts at or below the average would be guaranteed 100 percent, with the percentage tapering to 50 percent at three times the average. Beginning in 1984-85, there would no longer be a save-harmless provision.

For 1982-83, the operating aid base would consist of basic operating less that portion attributable to summer and evening students, plus low income aid and categorical reading aid.

A maximum aid provision limits the increase for 1982-83 and 1983-84 to 20 percent of the base.

As proposed in the Regents 1982 legislative proposal, operating aid ceilings would adjust each year in proportion to the prior year change in expenditures. In order to ensure that these ceilings could be supported within the funds available for education, the State share of the Tier 1 aid ratio would be adjusted if necessary. Thus high and low wealth districts would incur the same percentage increase in their tax levy as a result of the changed ratio.

School District Fiscal Impact

Based on computer runs produced by the State Education Department on February 17, 1982, operating aid is estimated as follows:

-- 1981-82 school year (operating aid base): $2,985.27 million

-- 1982-83 school year proposal: $3,431.24 million

A summary of the impact on individual school districts follows:

Districts With Aid Gains		Districts With Aid Losses		Districts With No Change in Aid
Number	Amount Gained	Number	Amount Lost	
518	$450.43 million	60	$4.46 million	125

Table 9 summarizes the impact of the proposed changes in operating aid. The Statewide average increase is 14.95 percent, with increases in the 17 largest counties ranging from 4.19 percent in Nassau County to 19.58 percent in Orange County, and a 20 percent increase for New York City.

Table 10 shows the basis on which the basic operating payments would be made during the 1982-83 school year. Of the State's 703 major school districts, 367 districts would receive the total formula aid they generate. The maximum aid provision would affect 146 districts reducing aid by a total of $99.03 million. Minimum aid provisions generate $87.17 million for 186 districts guaranteed 80 to 100 percent of their operating aid base or the minimum guarantee provision of $360.

(Text continues on page 25)

TABLE 9

CHANGE IN BASIC OPERATING AID FROM THE 1981-82 TO THE 1982-83 SCHOOL YEAR:
17 LARGEST COUNTIES, NEW YORK CITY, AND REST OF STATE

Area	Number of Districts[a]	Percent of Total State TAPU	1981-82 Adjusted Operating Aid[b]	1982-83 Basic Operating Aid		Change in Aid from 1980-81 to 1981-82	
				Amount	Percent of Total State	Amount	Percent
			(----------Dollar Amounts in Thousands----------)				
Albany	13	1.36%	$ 33,132	$ 35,569	1.04%	$ 2,437	7.35%
Broome	12	1.38	49,588	52,949	1.55	3,361	6.78
Chautauqua	19	1.00	35,268	40,217	1.17	4,948	14.03
Dutchess	13	1.56	44,665	51,956	1.52	7,291	16.32
Erie	28	5.63	189,129	206,983	6.04	17,854	9.44
Monroe	18	4.02	110,831	124,614	3.64	13,783	12.44
Nassau	56	7.61	187,064	194,902	5.69	7,838	4.19
Niagara	10	1.43	49,996	56,565	1.65	6,570	13.14
Oneida	18	1.61	61,190	70,179	2.05	8,989	14.69
Onondaga	18	2.86	96,528	107,585	3.14	11,057	11.45
Orange	16	1.87	61,143	73,113	2.14	11,970	19.58
Rensselaer	12	0.91	32,756	38,979	1.14	6,224	19.00
Rockland	7	1.60	39,118	45,114	1.32	5,996	15.33
Schenectady	7	0.82	23,710	26,840	0.78	3,131	13.20
Suffolk	65	9.97	334,418	388,230	11.34	53,812	16.09
Ulster	9	1.01	26,815	31,082	0.91	4,267	15.91
Westchester	40	4.64	85,433	92,023	2.69	6,591	7.71
17 Largest Counties	361	49.30%	$1,460,783	$1,636,901	47.81%	$176,118	12.06%
New York City	1	33.13	890,832	1,068,998	31.22	178,166	20.00
Rest of State	337	17.56	627,094	718,156	20.97	91,063	14.52
TOTAL STATE	699	100.00%	$2,978,709	$3,424,055	100.00%	$445,347	14.95%

[a] Excludes 4 districts for which data are not available.

[b] 1981-82 adjusted operating aid equals 1981-82 operating aid less that portion attributable to summer and evening school students, plus low income supplemental school aid and categorical reading aid.

SOURCE: Based on data in State Education Department computer run of February 17, 1982.

TABLE 10

METHOD OF PAYING OPERATING AID FOR THE 1982-83 SCHOOL YEAR:
17 LARGEST COUNTIES, NEW YORK CITY, AND REST OF STATE

Area	Total[a] Districts	Payment Method				
		Aid Formula	Capped	Save-Harmless[b]		$360/pupil
Albany	13	3	4	4	(4)	2
Broome	12	7	1	4	(4)	-
Chautauqua	19	15	1	3	(3)	-
Dutchess	13	4	4	5	(5)	-
Erie	28	19	3	6	(6)	-
Monroe	18	10	3	5	(5)	-
Nassau	56	16	4	35	(27)	1
Niagara	10	8	1	1	(1)	-
Oneida	18	12	5	1	(1)	-
Onondaga	18	13	2	3	(3)	-
Orange	16	3	12	-		1
Rensselaer	12	5	7	-		-
Rockland	7	3	2	2	(2)	-
Schenectady	7	4	2	1	(1)	-
Suffolk	65	15	24	17	(6)	9
Ulster	9	3	4	1	(1)	1
Westchester	40	7	3	28	(20)	2
17 Largest Counties	361	147	87	116	(89)	16
New York City	1	-	1	-		-
Rest of State	337	220	63	47	(34)	7
TOTAL STATE	699	367	146	163	(123)	23

[a] Excludes 4 districts for which data are not available.

[b] Numbers in parentheses indicate number of districts receiving 100 percent of their operating aids base.

SOURCE: Based on data in State Education Department computer run of February 17, 1982.

ADULT EDUCATION AID

At present, public school districts that provide programs for adults seeking a high school diploma or its equivalent may receive aid in two ways. The 1981-82 Grants for Specific Programs appropriation includes $1,937,704 for grants to public school districts and BOCES for Adult High School Education programs.

In addition, all public school districts have since 1974 been eligible for additional operating aid for adults attending evening school sessions which are at least equivalent to a half-day session.

Although the operating aid received by districts is based in part on the number of adults served in evening school sessions, there is no direct correlation between the fiscal effort devoted to adult education and the amount of aid received. In order to correct this problem, and focus greater attention on a program which offers significant short- and long-term benefits to the State and its citizens, this proposal provides a categorical program for adult education aid separate from operating aid. This change will mean that adult education will no longer be subject to maximum or minimum operating aid limits.

Recommended Changes

Beginning in the 1982-83 school year, the .50 weighting for adult evening school pupils would be eliminated from the operating aid computation. Each district's adult education aid would be computed by multiplying its selected operating aid per pupil by its evening school pupils weighted to reflect a full-time equilvalency of 1.25. In the first year, the district would have the option of using a current or base year pupil count; thereafter, the district would use the base year count.

In conjunction with this change, the Grants for Specific Program appropriation for adult education would be eliminated.

School District Fiscal Impact

Based on computer runs produced by the State Education Department on February 17, 1982, adult education aid is estimated as follows:

-- 1981-82 school year (included in operating aid): $ 4.43 million

-- 1982-83 school year proposal: $ 11.00 million

SUMMER SCHOOL AID

Currently, public school districts receive aid for approved summer school programs within the operating aid formula. Although the aid is based on the number of students served, an increased number of students may not reflect additional aid due to maximum and minimum limits.

Recommended Changes

Beginning with the 1982-83 school year, the .12 weighting for summer school pupils would be eliminated from the operating aid computation. Each district's summer school aid would be computed by multiplying its selected operating aid per pupil by its summer school weighted pupils weighted at .12.

School District Fiscal Impact

Based on computer runs produced by the State Education Department on February 17, 1982, summer school aid is estimated as follows:

-- 1981-82 school year (included in operating aid): $10.27 million

-- 1982-83 school year proposal: $13.07 million

GIFTED AND TALENTED AID

Under current law gifted and talented aid entitles each major district which conducts a gifted and talented program in accordance with regulations of the commissioner to receive an amount equal to three percent of its combined adjusted average daily attendance multiplied by $40.

Recommended Changes

As supported by an overwhelming majority of the Task Force, the proposed formula for gifted and talented aid incorporates the first tier operating aid ratio and a count based on three percent of a district's pupils. The formula also uses a $200 ceiling and has a minimum State share of 25 percent.

School District Fiscal Impact

Based on computer runs produced by the State Education Department on February 17, 1982, gifted and talented aid is estimated as follows:

-- 1981-82 school year: $ 3.00 million

-- 1982-83 school year: $ 7.82 million

Increases in gifted and talented aid of $4.82 million would go to 698 districts. This represents a 160.33 percent increase. One district would not experience a change in aid. No district would lose aid.

LIMITED ENGLISH PROFICIENCY AID

Limited English proficiency aid (LEPA) reimburses districts for the cost of special programs for pupils with limited proficiency in the English language. Such programs must be conducted in accordance with regulations of the Commissioner of Education. For 1981-82, aid is based on current year selected operating aid per pupil multiplied by the estimated number of current year pupils in approved programs weighted at .05.

Recommended Changes

Beginning in the 1982-83 school year, limited English proficiency aid would be based on current year selected operating aid per pupil multiplied by the number of pupils in approved programs in the base year weighted at .10.

School District Fiscal Impact

Based on computer runs produced by the State Education Department on February 17, 1982, limited English proficiency aid is as follows:

-- 1981-82 school year: $ 3.70 million

-- 1982-83 school year proposal: $ 8.66 million

The increase of $4.96 million would go to 106 of the 111 districts conducting programs eligible for aid.

RURAL CORRECTION AID

Rural correction aid is a new form of assistance recommended to begin in the 1982-83 school year.

Research conducted for the Special Task Force on Equity and Excellence in Education found that rural districts spend a higher percentage of their income on education than do all other districts. This phenomenon is attributed to the small size and geographic isolation of such districts. Thus the Task Force recommended "...that the unique disadvantages and burdens experienced by rural school districts of low wealth, small population and large geographic area be recognized in the state aid system."

Recommended Formula

Rural correction aid would be distributed to districts meeting the following three criteria:

(i) The district wealth defined as the full value per total wealth pupil unit, is less than 125 percent of the statewide average, so defined, ($93,125 for the 1982-83 school year).

(ii) The total pupils of the district does not exceed 1000.

(iii) There are less than 14 pupils per square mile residing in the district (thus capturing 20 percent of the pupils in the State).

A district would be provided rural correction aid of up to 25 percent of its Tier 1 operating aid, for a district with enrollment (defined as Average Daily Membership) of 250 pupils or less. The 25 percent factor would be incrementally reduced to zero as enrollment nears 1000 pupils.

School District Fiscal Impact

Based on computer runs produced by the State Education Department on February 17, 1982, $10.27 million in rural correction aid would be distributed to 100 districts in 25 counties in 1982-83.

Table 11 shows rural correction aid by county.

EXCESS COST AID FOR HANDICAPPED PUPILS

For the 1981-82 school year, New York State is using two separate formulas to provide excess cost aid to school districts for the education of pupils with handicapping conditions. Public excess cost aid is available for more than 200,000 pupils educated in programs operated by public school districts or BOCES under a new formula incorporated in Chapter 53 of the Laws of 1980. Private school excess cost aid is paid to public school districts which contract with private schools for the education of the handicapped, pursuant to Section 4402 (2)(b) of the Education Law, under a formula enacted in Chapter 853 of the Laws of 1976.

Under the private and public excess cost aid formulas, the State and school districts in which handicapped pupils reside have shared the ten-month tuition costs for pupils aged 5 through 21 who are placed by action of a Committee on the Handicapped. However, when a Committee on the Handicapped, a parent, or a surrogate recommends a child for educational programming during the summer months, a Family Court order is required if State and local support is to be obtained for approved tuition costs.

TABLE 11

RURAL CORRECTION AID FOR THE 1982-83 SCHOOL YEAR BY COUNTY

COUNTY	NUMBER OF DISTRICTS	TOTAL AID (In Thousands)
Allegany	13	$ 1,448
Cattaraugus	7	683
Chautauqua	4	358
Chenango	5	565
Clinton	1	127
Columbia	1	56
Cortland	2	152
Delaware	5	509
Essex	4	343
Franklin	2	234
Fulton	3	283
Herkimer	2	140
Jefferson	5	513
Lewis	2	281
Madison	4	427
Oneida	1	130
Onondaga	1	11
Ontario	2	24
Otsego	9	915
St. Lawrence	9	1,027
Schoharie	2	230
Seneca	1	115
Steuben	9	1,117
Sullivan	2	128
Washington	4	451
TOTAL	100	$10,268

Recommended Changes

The 1982-83 recommendations are designed to ensure that all pupils receive the most effective educational program in the least restrictive setting, and to establish a fiscally neutral funding mechanism (i.e., the same formula will be used to determine aid for pupils in both public and private schools). The public and private excess cost aid formulas would be merged, so that all pupils placed in a ten-month program by a Committee on the Handicapped would be covered by the same excess cost aid formula.

The structure of the 1981 public excess cost aid formula would be continued. The expenditure limits would be set at the first and third operating aid ceilings ($2,150 to $2,400 for the 1982-83 school year). Pupil weightings would continue to be based on the level of service required by the handicapped pupil (special class pupils, an additional 2.0; resource room pupils, an additional 1.0; and pupils who need special instruction in speech or other special programs two periods per week, an additional 0.13). The increased weightings reflect equivalence under the new pupil count. The basic component of the excess cost aid formula would be enriched by increasing the State share to 55 percent.

For the high cost component, the State share would be raised to 85 percent. The threshold factor used in determining eligibility for high cost aid would be set at four times the district approved operating expense per pupil. This product would also be used as the deduction in the high cost formula to determine the amount aidable for high cost aid.

The current save harmless provision for excess cost aid would be phased out over a three-year period. In 1982-83, a district would be eligible to receive at least 80 percent of public and private excess cost aid received during the 1981-82 school year. In 1983-84, the district would be allowed a minimum of 60 percent of the excess cost aid received during 1983-84.

All school districts will be allowed to establish subcommittees on the handicapped at the school building level. (Under existing law, only districts with more than 200 handicapped pupils may establish such subcommittees.)

School District Fiscal Impact

Based on computer runs produced by the State Education Department on February 17, 1982, excess cost aid for public and private school pupils with handicapping conditions is estimated as follows:

-- 1981-82 school year: $294.17 million

-- 1982-83 school year proposal: $401.90 million.

A summary of the impact on individual school district follows:

Districts With Aid Gains		Districts With Aid Losses	
Number	Amount Gained	Number	Amount Lost
594	$109.97 million	107	$2.24 million

Table 12 summarizes the proposed changes in excess cost aid for 1982-83. While excess cost aid would increase almost 37 percent statewide, larger increases appear in urban areas which have greater concentrations of handicapped pupils (with a 49 percent increase projected for New York City) and smaller increases in suburban and rural areas. Increases in the 17 largest counties could range from 7 percent in Nassau County to 42 percent in Oneida County.

Of the 106 districts projected to lose aid, 53 would be eligible for the 80 percent save-harmless guarantee, while excess cost save-harmless aid falls from $8.2 million to $1.1 million.

PROPERTY TAX RELIEF AID

Property tax relief aid is a new form of assistance recommended to begin in the 1982-83 school year.

This represents a step in the effort of the State to provide an equal share of school district costs, as well as equalize the fiscal capacity of school districts throughout the State, as strongly recommended by the Task Force. Aid is provided to high-tax-rate, lower wealth districts to help alleviate the disproportionate burden of taxpayers in these districts.

This provision, concomitant with the maintenance-of-effort provisions and limitations excessive expenditure increases, would serve to reduce the expenditure disparities which currently exist.

Recommended Formula

Property tax relief aid would be distributed to districts meeting the following criteria:

(i) Full value tax rate in excess of $16.50 per thousand.

(ii) Full value per pupil less than 125 percent of the State average ($93,125 for aid payable in 1982-83.)

The formula also incorporates an aid allocation factor of $750, and a provision which reduces the aid for a district whose expenditure per pupil exceeds the 80th pupil percentile in the State ($3,000 for aid payable in 1982-83).

(Text continues on page 34)

TABLE 12

CHANGE IN EXCESS COST AIDS FOR HANDICAPPED PUPILS IN PUBLIC SCHOOL, BOCES, AND PRIVATE SCHOOL PROGRAMS FROM THE 1981-82 TO THE 1982-83 SCHOOL YEAR: 17 LARGEST COUNTIES, NEW YORK CITY, AND REST OF STATE

Area	1981-82 Excess Cost Aids Base[a]		1982-83 Excess Cost Aid		Change in Aid From 1981-82 to 1982-83		Number of Districts[b]		
	Total	Save-harmless	Total	Save-harmless	Amount	Percent	With Aid Increases	With Aid Decreases[c]	
	(Dollar Amounts In Thousands)								
Albany	$ 2,535	$ 90	$ 3,009	10	$ 474	18.70%	9	4	(1)
Broome	2,674	100	3,272	—	599	22.39	10	2	
Chautauqua	2,425	29	3,349	—[d]	923	38.07	18	1	(1)
Dutchess	3,909	4	5,527	—	1,617	41.37	13	-	
Erie	15,781	423	20,497	—	4,716	29.88	24	4	
Monroe	11,634	173	16,517	—	4,882	41.96	18	-	
Nassau	18,356	1,993	20,815	305	2,458	13.39	35	21	(11)
Niagara	4,592	46	5,958	—	1,366	29.75	9	1	
Oneida	3,389	308	4,820	—	1,431	42.22	17	1	
Onondaga	6,487	61	8,136	—	1,649	25.42	15	3	
Orange	4,376	7	5,393	—	1,018	23.26	16	-	
Rensselaer	2,595	53	3,528	13	933	35.95	10	2	(1)
Rockland	3,916	375	4,198	—	282	7.20	4	3	
Schenectady	1,995	46	2,452	—	457	22.89	7	-	
Suffolk	32,116	487	40,380	79	8,264	25.73	50	15	(8)
Ulster	2,527	21	3,403	—	876	34.68	9	-	
Westchester	13,922	2,514	16,050	587	2,128	15.29	17	23	(19)
17 Largest Counties	$133,229	$6,730	$167,302	$ 995	$ 34,072	25.57%	281	80	(41)
New York City	123,496	—	183,513	—	60,017	48.60	1		
Rest of State	36,877	1,421	50,373	103	13,496	36.60	310	26	(12)
TOTAL STATE	$293,602	$8,151	$401,188	$1,098	$107,586	36.64%	592	106	(53)

Footnotes appear on next page.

FOOTNOTES TO TABLE 12

a. Includes 1981-82 public school excess cost aid, private school excess cost aid, additional 1.0 aid for Section 4402 pupils.

b Excludes 4 districts for which data are not available, and one district which does not anticipate excess cost aid in either year.

c. The numbers in parentheses indicate the number of districts which are losing aid to the extent that they are eligible for the 80 percent save-harmless guarantee.

d Less than .5 thousand.

Source: Based on data in State Education Department Computer Run of February 17, 1982.

School District Fiscal Impact

Based on computer runs produced by the State Education Department on February 17, 1982, $196 million in property tax reduction aid would be distributed to 349 districts in 54 counties and to New York City in 1982-83.

Table 13 shows property tax relief aid by county.

In Nassau and Suffolk counties, 590 districts would receive 44 percent of the Statewide total, while New York City would receive almost 31 percent (or $60 million).

SPECIAL SERVICES AID

Special services aid is paid in lieu of BOCES aid to the State's five largest cities, since they are not eligible to join BOCES. This aid helps compensate the Big Five for the cost of programs which they must operate themselves, in contrast to other districts which may obtain such programs via contracts with BOCES.

Occupational education aid, which has been paid since 1974 is calculated by multiplying the Tier 1 ceiling by a property-wealth based aid ratio, with a 20 percent State share, the product multiplied by the average daily attendance of pupils in grades ten through twelve occupational education programs.

Computer services aid, which was paid for the first time in 1981-82, is intended to reimburse the Big Five cities for data processing costs. Such aid is computed by multiplying the first tier operating aid ratio by approved data processing costs.

No changes are proposed regarding special services aid for 1982-83. It is expected that continuation of current law would generate $21.97 million in 1982-83, a $6.94 million increase (46.17 percent) over the 1981-82 base of $15.03 million. Special services aid for each of the Big Five cities is available on Table 4.

REORGANIZATION INCENTIVE OPERATING AID

Reorganization incentive aid for operating expenses incurred by those school districts scheduled for reorganization is provided by Section 3602 of the Education Law. This is paid as a supplement to regular operating aid when districts meet certain conditions prescribed by law. To meet the statutory requirements for reorganization incentive building aid, $1.05 million is recommended for the 1982-83 school year. Under existing law, 13 districts would receive reorganization incentive operating aid payments for the 1982-83 school year.

(Text continues on page 37)

TABLE 13

PROPERTY TAX REDUCTION AID FOR THE
1982-83 SCHOOL YEAR BY COUNTY

County	Number of Districts	Total Aid (In Thousands)
Albany	7	$ 666
Allegany	1	6
Broome	9	1,191
Cattaraugus	4	52
Cayuga	4	259
Chautauqua	10	571
Chemung	2	827
Chenango	5	729
Clinton	6	394
Columbia	3	76
Cortland	2	95
Delaware	6	148
Dutchess	8	1,788
Erie	20	3,719
Essex	4	129
Franklin	3	405
Fulton	4	304
Genesse	6	374
Greene	--	--
Hamilton	--	--
Herkimer	3	128
Jefferson	5	440
Lewis	4	99
Livingston	6	385
Madison	7	443
Monroe	13	4,145
Montgomery	2	158
Nassau	21	10,056
Niagara	7	963
Oneida	9	756
Onondaga	13	3,225
Ontario	3	109
Orange	13	3,977
Orleans	4	277
Oswego	1	24

TABLE 13 (continued)

PROPERTY TAX REDUCTION AID FOR THE
1982-83 SCHOOL YEAR BY COUNTY

County	Number of Districts	Total Aid (In Thousands)
Otsego	5	$ 128
Putnam	4	2,187
Rensselaer	9	3,220
Rockland	3	3,888
St. Lawrence	11	847
Saratoga	10	1,807
Schenectady	4	1,018
Schoharie	--	--
Schuyler	2	107
Seneca	2	145
Steuben	5	554
Suffolk	38	76,742
Sullivan	2	68
Tioga	2	89
Tompkins	3	78
Ulster	6	1,549
Warren	4	255
Washington	6	237
Wayne	11	2,009
Westchester	5	4,375
Wyoming	1	26
Yates	1	31
New York City	1	59,995
TOTAL	350	$196,223

BOCES AID

Boards of Cooperative Educational Services (BOCES) offer their component school districts occupational education programs, special programs for pupils with handicapping conditions, and other services that a district cannot economically or effectively provide for itself. Since the enactment in 1980 of the new public school excess cost aid formula, no aid is provided under tne BOCES aid formula for the education of handicapped pupils. BOCES aid is now provided for the training of occupational education pupils and certain specified services, such as approved centralized data processing costs.

BOCES aid is calculated in two parts. BOCES operating aid reimburses districts for a portion of costs relating to tne direct provision of educational services to component districts (as approved by tne State Education Department). Existing law allows districts to calculate BOCES aid by multiplying their approved expenses by tne higher of two ratios -- one is a property wealth ratio with a minimum of 36 percent, a State share of 49 percent and a maximum of 90 percent, based on an RWADA pupil count. The other is a millage ratio, based on a district's tax rate. The millage factor was increased in 1974 from six to eight mills. Approved expenses include BOCES salaries up to $14,500 per employee. The salary ceiling was increased in 1981 from $9,500 whicn had been in effect since 1974.

BOCES facilities aid pertains to that portion of the BOCES budget wnich covers administrative and facilities costs. For aid purposes, tnese costs are limited to 10 percent of the total budget. These costs are prorated to all components of the BOCES, regardless of service participation. Aid for these services is calculated by applying a property-wealth-based ratio with a 49 percent State share to the aidable expenses.

In addition, a save-harmless provision allows districts to receive the greater of the amount generated by the formula or the amount of BOCES aid received in the 1967-68 school year. In 1981-82, approximately $.5 million was distributed through this save-harmless provision.

Recommended Changes

Beginning in the 1982-83 school year, the BOCES aid ratio would be calculated using Total Wealth Pupil Units (TWPU), as in all other aid formulas. The 30 percent minimum aid ratio would drop to 25 percent for aid payable in the 1984-85 school year. Beginning in 1982-83, the maximum aid ratio would be eliminated. The BOCES aidable salary ceiling would be set at $15,000 for 1982-83, $17,000 for 1983-84 and $19,000 for 1984-85. Thereafter, it would be designated at the average BOCES salary for the base year. The millage factor would be set at 10 mills for 1982-83 and at 12 mills for 1984-85; the millage option would be eliminated commencing with the 1984-85 school year. Beginning in 1982-83, the save-harmless provision would be eliminated.

These changes would increase overall equity by directing aid to low wealth districts rather than those of high wealth and high tax rates. A self-adjusting ceiling and weighted pupil count also incorporate current district needs into the formula.

School District Fiscal Impact

The new proposal would provide a 1982-83 school year aid level of $115.08 million, including $10.04 million for BOCES facilities, rentals, and County Vocational Education Extension Boards. The following breakouts are for BOCES operating aid only.

Based on computer runs produced by the State Education Department on February 17, 1982, BOCES operating aid is estimated as follows:

-- 1981-82 school year: $ 97.17 million

-- 1982-83 school year proposal: $105.04 million

A summary of the impact on individual school district follows:

Districts With Aid Gains		Districts With Aid Losses	
Number	Amount Gained	Number	Amount Lost
426	$11.61 million	255	$3.74 million

The district totals exclude 16 districts and the Big Five Cities, which are not members of BOCES. Table 14 provides information on BOCES operating aid for the 17 largest counties and the rest of the State. The overall net increase in BOCES operating aid for the total State would be $7.84 million or 8.10 percent.

TRANSPORTATION AID

Major school districts in the State, excluding those located within cities, must provide transportation to and from school for public and nonpublic school pupils living more than 2 miles from the schools they attend, if in the elementary grades, or 3 miles if in grades 9 through 12 up to a distance of 15 miles. State transportation aid payments will be provided for all pupils living more than 1.5 miles from the schools they attend. Transportation over mandated levels may be provided, but expenses for such services are not currently reimbursable.

The State currently reimburses districts for 90 percent of approved expenses. The definition of "approved expenses" varies depending on whether a district runs its own transportation program or purchases services from a private contractor.

TABLE 14

CHANGE IN BOCES (BOARDS OF COOPERATIVE EDUCATIONAL SERVICES) OPERATING AID[a]
FROM THE 1981-82 TO THE 1982-83 SCHOOL YEAR:
17 LARGEST COUNTIES, NEW YORK CITY, AND REST OF STATE

Area	1981-82 BOCES Aid	1982-83 BOCES Aid	Change In BOCES Aid from 1981-82 to 1982-83 Amount	Change In BOCES Aid from 1981-82 to 1982-83 Percent	Number of Districts[b] With Aid Increase	Number of Districts[b] With Aid Decrease
	(Dollar Amounts in Thousands)					
Albany	$ 1,062	$ 1,042	$- 19	- 1.82%	5	7
Broome	1,893	1,964	71	3.76	7	5
Chautauqua	1,764	1,714	- 50	- 2.81	8	10
Dutchess	1,600	1,597	- 3	- 0.21	6	7
Erie	4,985	5,218	233	4.67	16	8
Monroe	4,634	5,130	496	10.70	14	3
Nassau	11,806	12,480	674	5.71	31	25
Niagara	1,715	1,874	159	9.24	6	3
Oneida	2,460	2,573	113	4.59	15	2
Onondaga	2,890	2,946	56	1.92	9	8
Orange	2,075	2,391	315	15.20	12	3
Rensselaer	810	898	87	10.79	7	3
Rockland	2,097	2,296	199	9.50	6	1
Schenectady	1,080	1,163	83	7.69	4	3
Suffolk	12,403	16,404	4,001	32.26	54	11
Ulster	1,181	1,174	- 7	- 0.60	5	4
Westchester	5,221	5,280	59	1.13	15	18
17 Largest Counties	$60,242	$66,144	$5,902	9.80%	222	121
New York City	0	0	0	0.00		
Rest of State	$36,509	$38,444	935	2.56	202	133
TOTAL STATE	$96,751	$104,588	$7,838	8.10%	424	254

a Does not include BOCES Facilities Aid or County Vocational Education Extension Board aid.
b Excludes 16 districts and the Big Five Cities which are not members of BOCES and 4 other districts with no data.

Source: Based on data in State Education Department computer run of February 17, 1982.

Recommended Changes

This proposal offers a new transportation aid formula based on total transportation expenses. The new proposal equalizes transportation costs, achieves parity in aid for district-owned and contract transportation, simplifies record-keeping at the State and local levels, and offers a greater incentive for local economy.

The proposed formula multiplies an equalizing aid ratio by aidable expenses. The aid ratio has an 80 percent State share with a maximum of 90 percent and a minimum of 70 percent in 1982-83, (60 percent in 1983-84 and 50 percent thereafter. Aidable expenses are calculated by making a partial deduction for nonallowable pupils from total expenses.

The calculation base proposed for transportation aid in 1981-82 is total transportation expense rather than approved expense. Total transportation expense is defined as the actual total expenditure incurred by a school district during the school day, including extra-curricular transportation but excluding specially aided programs and interscholastic sports. The use of total transportation expense as a base will permit the State to repeal a series of sections of law which are now involved in the definition of aidable transportation expense and are embodied in a part of the Education Law, entitled "State Aid Transportation Quota." In determining a district's eligibility for transportation aid, the State Education Department is now required to approve school bus routes and to establish that the "daily mileage" for each transported pupil is aidable. Under the new proposal districts would no longer be required to submit this type of detailed information on individual bus routes for approval by the Commissioner of Education.

School District Fiscal Impact

Based on computer runs produced by the State Education Department on February 17, 1982, operating aid is estimated as follows:

-- 1981-82 school year: $444.56 million

-- 1982-83 school year proposal: $458.96 million

A summary of the impact on individual school district follows:

Districts With Aid Gains		Districts With Aid Losses	
Number	Amount Gained	Number	Amount Lost
417	$28.81 million	285	$14.41 million

Table 15 shows an overall 3.26 percent increase in transportation aid statewide, with individual large county changes ranging from -11.13 percent for Ulster to +10.78 percent for Rensselaer.

TABLE 15

CHANGE IN TRANSPORTATION AID FROM THE 1981-82 TO THE 1982-83 SCHOOL YEAR:
17 LARGEST COUNTIES, NEW YORK CITY, AND REST OF THE STATE

Area	1981-82 Transportation Aid	1982-83 Transportation Aid	Change in Aid from 1981-82 to 1982-83 Amount	Change in Aid from 1981-82 to 1982-83 Percent	Number of Districts[a] With Aid Increase	Number of Districts[a] With Aid Decrease
	(Dollar Amounts In Thousands)					
Albany	$ 5,748	$ 5,273	$- 476	- 8.28%	4	9
Broome	5,525	5,410	- 115	- 2.08	6	6
Chautauqua	3,353	3,552	199	5.93	14	5
Dutchess	8,288	8,130	- 159	- 1.91	6	7
Erie	24,502	25,811	1,310	5.35	16	12
Monroe	19,846	19,295	- 551	- 2.78	7	11
Nassau	27,660	26,112	- 1,547	- 5.59	22	34
Niagara	5,637	5,653	16	0.28	5	5
Oneida	5,676	5,989	313	5.51	13	5
Onondaga	12,107	12,281	174	1.44	12	6
Orange	9,349	9,463	114	1.22	9	7
Rensselaer	4,350	4,819	469	10.78	9	3
Rockland	8,148	7,471	- 677	- 8.31	-	7
Schenectady	2,714	2,615	- 99	- 3.65	3	4
Suffolk	41,099	43,113	2,014	4.90	32	33
Ulster	6,372	5,663	- 709	-11.13	2	7
Westchester	20,477	19,374	- 1,102	- 5.38	12	28
17 Largest Counties	$210,852	$210,025	$- 827	- 0.39	172	189
New York City	156,700	165,229	8,529	5.44	1	-
Rest of State	76,158	82,910	6,753	8.87	243	94
TOTAL STATE	$443,710	$458,164	$ 14,454	3.26%	416	283

[a] Excludes 4 districts for which data are not available.

Source: Based on data in State Education Department computer run of February 17, 1982.

BUILDING AID

Building aid reimburses school districts for approved expenses for capital expenditures and debt service. Statutory cost allowances, adjusted annually by the Commissioner of Education, control the expenses incurred to construct new buildings, alter district-owned buildings, and purchase existing structures for school purposes. A portion of this aid may be used for alleviation of hazardous asbestos-related conditions.

An equalizing aid ratio formula provides a district of average wealth with 49 percent of approved costs. The current formula limits reimbursement to 90 percent. The aid ratio is based on Resident Weighted Average Daily Attendance (RWADA), a pupil count which does not include additional weightings for handicapped or PSEN pupils. For the 1981-82 school year, districts had the option of using their current-year or base-year aid ratio.

The building BANS program reimburses districts for part of the interest paid by local districts on bond anticipation notes (BANS) sold to help pay for building projects.

REORGANIZATION INCENTIVE BUILDING AID

Reorganization incentive aid for building expenses incurred by those school districts scheduled for reorganization is provided by Section 3602 of the Education Law. This is paid as a supplement to regular building aid when districts meet certain conditions prescribed by law. To meet the statutory requirements for reorganization incentive building aid, $2.91 million is recommended for the 1982-83 school year. Under existing law, districts would receive reorganization incentive operating aid payments for the 1982-83 school year.

Recommended Changes

Beginning in the 1982-83 school year, the pupil count used for determining district wealth in operating aid, Total Wealth Pupil Units (TWPU), would be used for the building aid ratio calculation. Also, the 90 percent maximum aid ratio provision would be eliminated. These changes would promote greater equity in determining district wealth and simplify paperwork by using a single standard wealth measure in aid computation formulas.

School District Fiscal Impact

The new proposal would provide a 1982-83 school year aid level of $207.94 million, including $20 million for building BANS and $2.91 million for reorganization building aid.

Based on computer runs produced by the State Education Department on February 17, 1982, building aid (excluding BANS and reorganization incentive building aid) is estimated as follows:

-- 1981-82 school year: $193.27 million

-- 1982-83 school year proposal: $185.02 million

A summary of the impact on individual school district follows:

Districts With Aid Gains		Districts With Aid Losses		Districts With No Change in Aid
Number	Amount Gained	Number	Amount Lost	
138	$9.82 million	479	$18.07 million	85

The districts with no aid change do not receive building aid in either year.

Table 16 indicates that the change in building aid would not be uniform across the State. Total building aid funds for the State as a whole would decline by 4.29 percent, for a net loss of $8.27 million. It is estimated that building expense will decline $6.61 million from 1981-82 to 1982-83. New York City has a projected $1.70 million decrease (-4.41 percent). Within the largest 17 counties, there are 81 districts with aid gains among the 320 districts now receiving building aid, producing a net loss of 7.01 percent. In the 50 smallest counties, 56 of 293 districts have a net gain of 2.53 percent.

TABLE 16

CHANGE IN BUILDING AID FROM THE 1981-82 TO THE 1982-83 SCHOOL YEAR:
17 LARGEST COUNTIES, NEW YORK CITY, AND REST OF STATE

Area	1981-82 School Year Building Aid[a]	1982-83 School Year Building Aid[b]	Change In Building Aid from 1981-82 to 1982-83 School Years		Number of Districts[c]	
			Amount	Percent	With Aid Increase	With Aid Decrease
	(-------Dollar Amounts in Thousands-------)					
Albany	$ 3,134	$ 2,979	$- 155	- 4.95%	3	8
Broome	3,550	2,955	- 595	-16.76	1	10
Chautauqua	2,678	2,412	- 266	- 9.92	4	13
Dutchess	3,124	3,398	275	8.79	5	8
Erie	12,042	10,841	-1,201	- 9.97	4	24
Monroe	10,909	9,359	-1,550	-14.21	2	16
Nassau	10,743	9,611	-1,132	-10.54	16	33
Niagara	2,940	2,682	- 258	- 8.76	1	9
Oneida	4,051	4,022	- 29	- 0.71	4	13
Onondaga	8,111	7,415	- 697	- 8.59	6	12
Orange	5,146	4,831	- 315	- 6.12	5	10
Rensselaer	2,571	2,410	- 161	- 6.27	2	10
Rockland	3,531	3,040	- 491	-13.90	1	6
Schenectady	1,423	1,168	- 255	-17.90		7
Suffolk	29,288	28,525	- 763	- 2.61	15	30
Ulster	1,773	1,766	- 6	- 0.36	4	5
Westchester	4,816	4,710	- 105	- 2.18	8	25
17 Largest Counties	$109,830	$102,126	$-7,704	- 7.01%	81	239
New York City	38,518	36,820	-1,698	- 4.41	-	1
Rest of State	44,534	45,662	1,128	2.53	55	238
TOTAL STATE	$192,882	$184,607	$-8,274	- 4.29%	136	478

a Does not reflect an estimated $15 million in aid payments for Bond Anticipation Notes in 1981-82.
b Does not reflect an estimated $20 million in aid payments for Bond Anticipation Notes in 1982-83.
c Excludes 4 districts for which data is not available and 85 districts which do not anticipate building aid in either year.

Source: Based on data in State Education Department computer run of February 17, 1982.

SECTION IV

RECOMMENDATIONS AFFECTING OTHER GENERAL SUPPORT AIDS

This proposal also includes recommendations of magnet school aid and an aid to small cities, both General Support for Public Schools aid categories.

MAGNET SCHOOLS

"Magnet schools" are designated public schools in urban areas which attract the ablest of students from all segments of society because of their innovative educational programs and high academic standards. This designation is usually associated with the desire to create a racially-balanced student body. This proposal recommends a total of $4 million for the cities of Buffalo, Rochester, and Syracuse for their magnet school programs.

AID TO CITIES

The New York State Constitution sets tax and debt limits for all fiscally independent school districts that are located wholly or partially witnin the boundaries of a city with a population of less than 125,000. Small city school districts within the state may not raise property tax levies for operating purposes in excess of a specified percentage of the full value of their taxable property as defined by Chapter 280 of the Laws of 1978. These percentage limits range from 1.25 percent to 2 percent. Since no constitutional limits are imposed on the State's other school districts there is a fundamental difference between the revenue-raising ability of the 69 school districts affected by these constitutional tax limits and other school districts in the State.

Many city school districts, already in the process of developing their budgets for the 1982-83 school year, are facing increasing financial difficulties which are exacerbated by the slower growth of full valuation averages in recent years.

These Special Message recommendations include a three-pronged approach to the problems of city school districts. First, the regular school aid proposals recommended increase the State share of educational expenditures, apportion aid in a more equitable manner and aid higher expense levels (ceilings) for all districts. Most city school districts would receive sizeable aid increases under these proposals which could substantially reduce their reliance on local property tax revenues. Second, because the long-term solution to the problems of city school districts

lies not only in increased State aid, but also in a fundamental restructuring of the way in which small city school districts raise operating revenues, a constitutional amendment is recommended which would allow all small city school districts to levy property taxes in the same manner as other districts, without limits, but subject to voter approval. Third, as a temporary solution to the immediate problems of those city school districts at or near their constitutional limits, a short-term formula-based grant program is proposed which would provide aid totalling approximately $27.5 million in the 1982-83 school year. A modified continuance of the loan program instituted by Chapter 280 of the Laws of 1978 was also proposed with the Executive Budget. These recommendations are short-term solutions to be phased out over several years.

Proposed Constitutional Amendment

A proposed constitutional amendment accompanying these recommendations would eliminate constitutional tax limits for operating purposes for all school districts located wholly or partially in cities with a population of less than 125,000. Small city school districts would be subject to the same voting provisions that apply to other school districts in the State regarding the revenues raised locally for education. This amendment would lift the current limits on city districts and allow voter control of educational revenues equivalent to that exercised by taxpayers in other school districts. This is the most equitable long-term solution to the tax limit problem because it puts city school districts in the same revenue-raising position as other districts.

Modified Loan Program

The original 1982-83 Executive Budget recommendations included proposals to provide $52 million in advances to small city school districts. These proposals would allow districts which received loans in 1978 the opportunity to pay off their loans in four years, interest-free, or to use a new six-year loan schedule under which interest payments would be required. In addition, an opportunity is provided for districts which received a grant pursuant to Chapter 630 of the Laws of 1981 to borrow an

amount equivalent to the 1981 grant and to repay it over a six-year period. Language is also added to make State aid deductions to repay these loans in January, February, and March.

If no changes were made in Chapter 280, loans to affected city school districts would be reduced by 25 percent in 1982-83, and the current loan repayment schedule would commence.

Formula-Based Grant Program

Many small city school districts facing potential revenue problems have received special grants in previous years. These grants, however, have not been allocated by a formula mechanism. Chapter 630 of the Laws of 1981 provided $40.26 million to 35 city school districts for the 1981-82 School year. A study of the State Education Department has shown, however, that many of the districts which received Chapter 630 grants would not need the amount of money provided in order to finance their 1981-82 budgets, if they had taxed at their limits and utilized all available revenues.

A formula-based grant proposal is included in these recommendations to operate during the 1982-83 and 1983-84 school years. This grant program will answer the immediate problems of small city school districts faced with legitimate budgetary shortfalls, to allow time for long term solutions to be developed.

The grant program would operate as follows. To be considered eligible for a special grant all small city school districts would be required to levy a property tax for operating purposes up to their constitutional tax limit and exhaust all available revenues, including State aid and any fund balances from the previous year, in meeting their budgetary needs. Budget increases would be limited to an increase of $215 per pupil over the previous year, the same amount that other school districts would be allowed to increase their spending in the 1983-84 school year without penalties. The $215 per pupil increase tapers downward for districts spending more than $3,500 per pupil just as it does for non-city districts. Further, districts spending over the statewide 80th percentile (as measured by approved operating expenditures per pupil -- AOE/TAPU) would have their grant amounts reduced by 50 percent of the difference between their spending level and the 80th percentile. This provision would tend to insure that small city school district grants will not aggravate expenditure disparities and counteract the general equity goals of the overall program this message represents.

An adjustment will also be made for those small city districts with the minimum constitutional tax limit of 1.25 percent. Small city school districts may, with the approval of

the voters, raise their tax limits, in increments of 0.25 percent, up to a 2 percent maximum limit. A tax limit of 1.25 percent represents almost one-half of the State average tax rate. For grant-determination purposes all districts will be assumed to be taxing at least 1.50 percent of their full valuation. Exceptions to this provision will be made for small city districts at 1.25 percent which are making tax efforts through city school district-imposed consumer utility taxes or shared county sales tax receipts.

Lastly, special grants will be limited to $400 per pupil, for districts with tax limits at 2.0 percent, $350 per pupil for those at 1.75 percent, and $300 per pupil for those at 1.5 percent or below.

Preliminary aid estimates for those districts which may receive grants under this proposal are shown in Table 17. It must be emphasized, however, that the grant amounts appearing in the table are based on incomplete and tentative data including the general school aid recommendations as they are recommended in this message. The grant program, however, would function as a formula, subject to post-audit, and city school districts would have to meet the eligibility criteria outlined above. The amounts shown in Table 17 cannot be considered entitlements.

TABLE 17

AID TO CITIES — 1981-82 AND PRELIMINARY ESTIMATES
FOR THE 1982-83 PROPOSAL

District Name	1981-82 AOE/TAPU	Tax Limit	1981-82 Grant	1982-83 Estimated Formula Grant
			(Thousands)	
Albany	$2,287	1.50%	$ 250	—
Cohoes	1,897	1.50	310	—
Watervliet	2,390	1.50	—	$ 160
Binghamton	2,647	1.50	300	—
Olean	2,024	2.00	225	—
Salamanca	2,026	1.75	150	—
Auburn	1,975	1.25	1,750	—
Jamestown	2,066	1.75	225	—
Elmira	2,268	1.25	100	—
Plattsburgh	2,238	1.25	350	280
Hudson	1,926	1.25	500	—
Poughkeepsie	2,628	1.50	3,000	1,598
Lackawanna	2,346	1.25	2,500	1,138
Tonawanda	2,387	1.25	400	1,151
Glen Cove	3,160	1.75	1,000	1,517
Long Beach	3,567	2.00	3,300	2,355
Lockport	1,876	1.50	100	—
Niagara Falls	2,383	1.25	950	3,498
N. Tonawanda	2,094	1.75	150	—
Rome	1,752	1.75	150	—
Utica	1,994	1.25	350	—
Middletown	2,582	1.25	1,300	1,842
Newburgh	2,195	1.75	3,800	—
Port Jervis	2,054	1.50	300	—
Fulton	2,067	1.25	680	—
Oneonta	1,564	1.50	300	-
Rensselaer	1,907	1.25	800	401
Troy	2,070	1.75	850	112
Schenectady	2,231	1.50	945	3,264
Corning	2,159	1.50	100	—
Hornell	1,949	1.50	50	—
Ithaca	2,041	1.75	75	—
Kingston	2,061	1.75	2,900	817
Mt. Vernon	2,667	2.00	5,900	3,830
New Rochelle	3,287	2.00	4,200	4,259
Peekskill	2,398	2.00	2,000	1,278
TOTAL			$40,260	$27,500

SECTION V

OTHER GENERAL FUND AID PROGRAMS ADMINISTRATED STATE EDUCATION DEPARTMENT

Ten General Fund appropriations administered by the State Education Department, excluding General Support for Public Schools, provided $51.25 million in aid to school districts in aid to school districts in the 1981-82 school year. A combined total of $39.09 million is recommended for these program areas in 1982-83. Recommendations concerning these appropriations were included within the Executive Budget. The following changes to those recommendations are as follows:

Deletions

Bilingual Education

$1,905,700 for programs designed for students with limited English proficiency deleted due to duplication with expanded Limited English Proficiency Aid (within General Support).

Adult High School Education

$1,937,700 for High School Equivalency programs deleted due to duplication with expanded Adult Education Aid (within General Support).

Additions from the Educational Equity Fund

In-Service Education

$1,000,000 is recommended to fund approximately 20 regional Teacher In-Service Education Centers throughout the State, to help teachers further develop both subject-matter knowledge as well as teaching skills and techniques.

Education Management Improvement Program

$1,000,000 is recommended to fund pilot programs in school districts designed to define and improve school business management practices.

A revised list of recommended changes appears on Table 18.

For a more comprehensive description of each program, see 1982-83 New York State Executive Budget Recommendations Relating to Aid for Public Schools, (January 19, 1982). Single copies available from the Education Unit of the Division of the Budget while supplies last.

TABLE 18

1982-83 SCHOOL YEAR IMPACT OF OTHER PUBLIC SCHOOL
APPROPRIATIONS ADMINISTERED BY STATE EDUCATION DEPARTMENT

Appropriation Title	1981-82 School Year	1982-83 School Year	Change from 1981-82 Amount	Change from 1981-82 Percent
Grants for Specific Programs:				
Children of Migrant Workers	$ 90,000	$ 90,000	—	—
Educational Television Projects	281,200	162,000	-$ 119,200	- 42.4%
Basic Education for Public Assistance Recipients	1,840,000	2,000,000	+ 160,000	+ 8.7
Bilingual Education	1,905,732	0	- 1,905,732	—
Adult High School Education	1,937,704	0	- 1,937,704	—
Urban/Suburban Transfer Programs	493,000	500,000	+ 7,000	+ 1.4
Comprehensive Instructional Management System	0	200,000	+ 200,000	—
SUBTOTAL	$ 6,547,636	$ 2,952,000	$ 3,595,636	- 54.9%
Prekindergarten Programs	9,460,000	8,000,000	- 1,460,000	- 15.4
Lunch/Breakfast Programs	20,338,000	20,554,600	+ 216,600	+ 1.1
NYSSCSS	98,000	0	- 98,000	-100.0
Family Life Education	147,000	0	- 147,000	-100.0
School Health Demonstration Project	196,000	0	- 196,000	-100.0
Education of Native Americans	5,768,600	5,582,000	- 186,600	- 3.2
Monroe Primary Mental Health Project	318,500	0	- 318,500	-100.0
New York City-School Community Education Program	2,375,000	0	- 2,375,000	-100.0
Special Categorical Programs	6,000,000	0	- 6,000,000	-100.0
In-Service Education	0	1,000,000	+ 1,000,000	—
Education Management Improvement Program	0	1,000,000	+ 1,000,000	—
TOTAL	$51,248,736	$39,088,600	-$12,160,136	- 23.7%

Source: Based on information provided in the local assistance budget bills for 1981-82 and 1982-83, including 1982-83 Budget amendments submitted on Feburary 17, 1982.

SECTION VI
RELATED PROPOSALS

New policy proposals which would affect school districts in the 1982-83 school year are contained in the omnibus school aid bill. These proposals are summarized below.

MAINTENANCE OF EFFORT REQUIREMENT

A new provision is proposed which would require a district spending at or below the 10th district expenditure percentile to maintain its tax levy of the base year, thus applying State aid increases to program enrichment. For the 1982-83 school year, this level is $1,800 per pupil. If this requirement was violated, the district would be penalized in an amount equal to the tax levy reduction in the following year.

LIMITATIONS ON EXCESSIVE EXPENDITURE INCREASES

This provision stipulates that a dollar-for-dollar penalty be applied to districts which increase their approved operating expenditures in excess of prescribed amounts. Districts would be allowed to increase per pupil expenditures at least one-tenth of the first tier operating aid ceiling ($215 for the 1982-83 school year). Districts below the maintenance-of-effort level ($1,800) would be allowed this increase above the maintenance-of-effort level. However, nothwithstanding this limitation, all districts would be permitted an operating expense per pupil level at least equal to the district's operating expense aids level. For more information on the formula, see Appendix A.

THREE-YEAR LIMIT ON PRIOR YEAR CLAIMS

This proposal would amend Section 3604 of the State Education Law to provide that school districts which are entitled to receive General Support aid claim adjustments must make such claims within three years after the close of the school year for which the adjustment arose. An exemption is made for claims arising from a court judgement, those required as a result of a final audit of the State Comptroller, and those made pursuant to the provisions of the Education Law relating to apportionment for capital outlay and debt service for school building purposes.

In the past, school districts were entitled to receive payments for claims for previous years with no limit placed on the age of such claims. The amount of these claims fluctuated widely, thereby creating administrative difficulties which adversely affected the accuracy of State expenditure projections.

CONTINGENCY BUDGET PROPOSAL

Under existing law, noncity school districts which are operating under a contingency budget (due to lack of voter approval of their proposals) have restrictions placed on the purposes for which their funds may be used. This proposal would give local boards of education the ability to exercise greater discretion in determining how to use available funds but would establish an overall limit on the size of their budgeted approved operating expense per pupil.

Language contained in the omnibus bill which accompanies the Education Message repeals the existing contingency provisions and establishes new provisions. Under these provisions, when the school district voters neglect, fail, or refuse to approve estimated sums for the ensuing school year, the board of education may not levy taxes that would result in an increase in operating expense by a proportion greater than the increase in the region in which the school district is located. Further, no district under "contingency" circumstances may increase its professional and paraprofessional staff ratios beyond the previous year.

Excluded from the proposed levy limitation are expenses for debt services, interfund transfers to the capital fund, transfers to tne library fund for debt service, budgetary provisions for handicapped children (under regulations of the commissioner), retirement contributions and social security payments.

STATE AID PAYMENT SCHEDULE TO SCHOOL DISTRICTS

These recommendations include a revised payment schedule for all aids paid in accordance with Section 3609 of the Education Law. These aids would no longer include building aid and reorganization incentive-building aid. The new payment schedule is designed to eliminate the need for low-wealth districts to borrow in anticipation of State aid payments.

Districts would receive aid payments through individual payment schedules. All districts would be guaranteed 25 percent of their school year aid in equal payments of 8 1/3 percent in September, October, and November. Early payments of State aid in the period December through March would be made to those districts which depend on State aid payments to meet 70 percent of their general fund expenditures (less building expenditures) by April 1.

The payments would be based on a district payment ratio (DPR) which is calculated in a manner that guarantees each district 70 percent of its <u>total</u> revenues (i.e., State and local revenues) by April 1. In essence, the district payment ratio is based on the percentage of a district's revenues which are funded through State aid.

Districts which fund a high proportion of their expenditures through State aid -- generally low-wealth districts -- would receive earlier aid payments which would eliminate their need for short-term borrowing in anticipation of spring school aid payments. A complete description of this new payment schedule is given in Appendix C. Its effect on the percentage of State aid payable during the fall/winter quarters is described in Section I.

APPENDIX A

MATHEMATICAL EXPLANATION OF AID FORMULAS

The mathematical formulas for calculating basic operating aid, adult education aid, summer school aid, gifted and talented aid, limited English proficiency aid, property tax relief aid, rural correction aid, excess cost aid, transportation aid, building aid, BOCES aid, and special services aids as well as details of the aid penalty for excessive expenditure increases are presented in this appendix. In each of the formulas, State averages or other formula factors to be used for only the 1982-83 school year are shown in parentheses. Formula changes in the second and third years of the plan are noted.

Basic Operating Aid

Formula Aid

Tier 1 Aid = Tier 1 Ceiling x Tier 1 Aid Ratio x TAPU for Aid

Tier 1 Ceiling = 70th Pupil Percentile - $250
($2,150)

$$\text{Tier 1 Aid Ratio} = 1 - \frac{\text{District Full Value/TWPU}}{\text{Statewide Average ($74,500)}} \times .51$$

Maximum Aid Ratio: 1.000
Minimum Aid Ratio: .000

Tier 2 Aid = (Tier 2 Ceiling-Tier 1 Ceiling) x Tier 2 Aid Ratio x TAPU for Aid

Tier 2 Ceiling = 70th Pupil Percentile - $100
($2,300)

$$\text{Tier 2 Aid Ratio} = 1 - \frac{\text{District Adjusted Gross Income/TWPU}}{\text{Statewide Average ($34,500)}} \times .80$$

Maximum Aid Ratio = 1.000
Minimum Aid Ratio = .000

$$\text{Tier 3 Aid} = \left[\begin{array}{l}\text{Lesser of Tier 3 Ceiling or District AOE/TAPU} \\ - \text{Tier 2 Ceiling}\end{array}\right] \times \text{Tier 3 Aid Ratio} \times \text{District TAPU for Aid}$$

Tier 3 Ceiling = 70th Pupil Percentile
($2,400)

$$\text{Tier 3 Aid Ratio} = 1 - \frac{\text{District Full Value/TWPU}}{\text{Statewide Average ($74,500)}} \times .80$$

Maximum Aid Ratio: 1.000
Minimum Aid Ratio: .000

Formula Aid = Tier 1 Aid + Tier 2 Aid + Tier 3 Aid

Minimum Provision

Operating Aid cannot be less than the greater of:

$360[a] x TAPU for Aid

or

Save-harmless Percentage[b] x Operating Aid Base[c]

$$\text{Save-harmless Percentage} = 1.5 - 2.5 \times \frac{\text{District Full Value/TWPU}}{\text{Statewide Average (\$74,500)}}$$

Maximum Percentage = 1.00 (at 2 x State Average Full Value/TWPU)
Minimum Percentage = .75 (at 3 x State Average Full Value/TWPU)

Operating Aid Base = Base year operating aid - Adult education aid - Summer school aid + Low income supplemental school aid + Categorical reading aid.

Maximum Provision

Operating Aid cannot exceed:

120% of Operating Aids Base[d]

The cap doesn't apply to district enrollment growth of more tnan 100 pupils.

Borough Aid

New York City's operating aid formula is computed on a borough basis, but the limits are applied citywide.

Adult Education Aid

Adult Education Aid = Weighted Pupils x Selected Operating Aid Per Pupil

Weighted pupils = Choice of 1980-81 or 1981-82 unweighted adult educatio pupils[e] x .63

a $280 in 1983-84 and $200 thereafter

b In 1983-84, the save-harmless percentage would taper from 1.00 at the State average full value per TWPU to .50 at 3 times the State average full value per TWPU. Thereafter, the save-harmless percentage would be zero.

c Beginning in the 1983-84 school year, operating aids base would equal base year operating aid.

d Maximum Provision applies to aid payable in 1982-83 and 1983-84 only.

e Beginning in the 1983-84 school year, adult education aid would be based on the base year adult education pupils.

Summer School Aid

Summer School Aid = Weighted Pupils x Selected Operating Aid Per Pupil

Weighted Pupils = Summer school pupils x .12

Gifted and Talented Aid

Gifted and Talented Aid = 3% of 50% AE/50% ADA x Tier 1 Aid Ratio* x $20

* Minimum Aid Ratio = .250

Limited English Proficiency Aid (LEP Aid)

$$\text{LEP Aid} = \text{Base Year Pupils in Approved LEP Programs} \times \text{Selected Operating Aid Per Pupil} \times .10$$

Property Tax Relief Aid

$$\text{Property Tax Relief Aid} = \$750 \times \text{Tax Rate Percentage} \times \text{Aid Ratio} \times \text{TAPU For Payment}$$

$$\text{Tax Rate Percentage} = \frac{\text{Adjusted Tax Rate} - \$16.50}{\$16.50}$$

In AOE/TAPU is above the 80th percentile,

$$\text{Adjusted Tax Rate} = \frac{\text{State 80th percentile AOE/TAPU } (\$3000)}{\text{District AOE/TAPU}} \times \text{Full Value Tax Rate}^{a}$$

Maximum Adjusted Tax Rate = $40.00 per $1,000

$$\text{Aid Ratio} = 1 - \frac{\text{District Full Value/TWPU}}{\text{Statewide Average } (\$74,500)} \times .8$$

Rural Correction Aid

Eligiblity Criteria:

Less than 125 percent of the State average full value per TWPU ($93,125)
Less than 1000 pupils in enrollment
Less than 14 pupils per square mile

Rural Correction Aid = Rural Factor x Tier 1 Operating Aid

$$\text{Rural Factor} = .25 \times \left[1 - \frac{\text{Enrollment*} - 250}{750}\right]$$

* Minimum Enrollment = 250

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a This full value tax rate is computed by dividing a district's base year total tax levy excluding taxes cancelled, library and former district indebtedness taxes by the district's full valuation for the year prior to the base year.

Excess Cost Aid for Public and Private School Programs

This program is described in detail in the section of this report on excess cost aid. The formulas described below replace the 1980-81 aids for handicapped children paid through the public and private excess cost formula

$$\text{Formula Excess Cost Aid} = \text{Expense Per Pupil} \times \text{Aid Ratio} \times \text{Weighted Handicapped Pupils}$$

$$\text{Expense per pupil} = \frac{\text{District Approved Operating Expense}}{\text{TAPU for expense}}$$

Maximum Expense = Operating Aid Tier 3 Ceiling ($2,400)
Minimum Expense = Operating Aid Tier 1 Ceiling ($2,150)

$$\text{Aid Ratio} = 1 - \frac{\text{District Full Value/TWPU}}{\text{Statewide Average Full Value/TWPU ($74,500)}} \times .45^{a}$$

Maximum Aid Ratio = 1.000
Minimum Aid Ratio = .250

Pupil weightings for children in public school, private school and BOCES programs:

-- Special class, 2.00
-- Resource room, 1.00
-- Speech or other speech instruction, 0.13

High Excess Cost Formula (Tier II Excess Cost Aid)

Eligibility for aid under Tier II: Approved pupil cost must exceed 4 x Expense per pupil (without limits)

$$\text{Tier 2 Excess Cost Aid Per Pupil} = \left[\text{Approved Pupil Cost} - \text{Expense Per Pupil} \times 4\right] \times \text{Tier 2 Excess Cost Aid Ratio}$$

$$\text{Tier 2 Excess Cost Aid Ratio} = 1 - \frac{\text{District Full Value/TWPU}}{\text{Statewide Average ($74,500)}} \times .15$$

Maximum Aid Ratio: 1.00
Minimum Aid Ratio: .500

Total Formula Aid = Formula Excess Cost Aid + High Cost Aid

Minimum Excess Cost Aid[b] = .80 x (1981-82 Public Excess Cost Aid
+ 1981-82 Private Excess Cost Aid
+ additional 1981-82 1.0 operating aid for private school pupils)

a In 1983-84, the local share would be .40, and thereafter, .35.

b In 1983-84, minimum excess cost aid would equal 60 percent of 1982-83 excess cost aid. Beginning in the 1984-85 school year, there would be minimum provision on excess cost aid.

Transportation Aid

Transportation Aid = Aidable Transportation Expense x Aid Ratio

$$\text{Aidable Expense} = \text{Total Trans. Expense} \left[\frac{\text{Pupils Transported} - .5 \text{ Nonallowable Pupils}}{\text{Pupils Transported}} \right]$$

$$\text{Aid Ratio} = 1 - \frac{\text{District Full Value/TWPU}}{\text{Statewide Average (\$74,500)}} \times .20$$

Maximum Aid Ratio = .900
Minimum Aid Ratio = .700[a]

Building Aid

Building Aid = Approved Building Expense x Aid Ratio

$$\text{Aid Ratio} = 1 - \frac{\text{District Full Value/TWPU}}{\text{Statewide Average (\$74,500)}} \times .51$$

Approved Building Expense =

-- Current Year Capital and Reserve Fund Expenses
-- Base Year Debt Service

BOCES Operating Aid

BOCES Operating Aid = Approved Expenses x Aid Ratio

Approved Expenses includes salaries of BOCES employees up to $15,000[b]

Aid Ratio is greater of:

1. Building Aid Ratio, .300 minimum[c]
2. $1 - \frac{.010^{d}}{\text{District Full Value Tax Rate}^{e}}$

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a Minimum transportation aid ratio would be .600 in 1983-84 and .500 thereafter.

b Salary ceiling would be $17,000 in 1983-84, $19,000 in 1984-85 and set at the State average thereafter.

c The minimum BOCES aid ratio would be .250 in 1984-85 and thereafter.

d Millage factor would be .012 in 1983-84; there would be no millage option beginning in the 1984-85 school year.

e This full value tax rate is computed by dividing a district's base year total tax levy excluding taxes cancelled, library and former district indebtedness taxes by the district's full valuation for the year prior to the base year.

Special Services Aids (available to "Big 5" only)

Occupational Education Aid = $2,100 x Aid Ratio x Base Year Oc Ed Pupils

$$\text{Aid Ratio} = 1 - \frac{\text{Full Value/TWPU}}{\text{Statewide Average}} \times .8$$

$$\text{Computer Services Aid} = \text{Aid Ratio} \times \text{Approved Expenditures For Data Processing}$$

$$\text{Aid Ratio} = \text{Tier 1 Operating Aid Ratio, minimum ratio} = .300^{a}$$

Aid Penalty for Gap-Widening Expenditure Increases

$$\text{Aid Penalty Applied To Following Year Aid} = \text{Dollars In Excess of Allowable Per Pupil Increase} \times \text{TAPU for Payment}$$

Allowable increase in district AOE/TAPU:

Base Year AOE/TAPU	Allowable per pupil increase in AOE/TAPU from Base Year to Current Year
Less than $1,800	$2,015[b] - AOE/TAPU
$1,800 or more	$215[c]

In future years, factors used in this aid penalty formula would automatically self-adjust.

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a Beginning in the 1983-84 school year, the minimum aid ratio for Comput Services Aid would be .250.

b $1,800 + (.1 x Tier 1 Ceiling)

c .1 x Tier 1 Ceiling

APPENDIX B
DESCRIPTION OF PUPIL COUNTS USED IN AID FORMULAS

Short Title	Total Aidable Pupil Units In Expense TAPU for Expense	Total Aidable Pupil Units For Payment TAPU for Payment	Total Wealth Pupil Units TWPU
Year used for aid payable in 1982-83	1981-82	1981-82	1980-81
Attendance Periods	Full Year	Full Year	Full Year
Active Enrollment[a]	100%	50%	50%
Average Daily Attendance	--	50%	50%
Basic Weightings			
1/2 Day Kindergarten	.50	.50	.50
Kindergarten-Grade 12	1.00	1.00	1.00
Additional Weightings			
Secondary (including PSEN & excluding HC in 2.0 & 1.0 categories)	.25	.25	.25
PSEN[b] (K-12 including HC)	.30	.30	.30
Handicapped (HC)			
60%	2.00	--	2.00
20%	1.00	--	1.00
2 Periods a week	.13	--	.13
Private School	2.00	--	2.00
Summer	.12	--[c]	--
Evening	.63	--[d]	--
LEP	.10	--[e]	--

[a] Active enrollment will be defined as average daily membership (with a 2.9 percent adjustment to reflect the difference between active enrollment and average daily membership in New York City) for TAPU and TWPU counts for 1982-83 aid. A comparable adjustment will be made for New York City's TWPU for 1983-84 aid.

[b] Based on percentage of student population falling below the third stanine on third and sixth grade reading and mathematics pupil evaluation program (PEP) tests from 1977 to 1980.

[c] Summer school pupils would receive a .12 weighting under a separate 1982-83 summer school aid formula.

[d] Evening school pupils would receive a .63 weighting under a separate 1982-83 adult education formula.

[e] Limited English proficiency pupils would receive a .10 weighting under a separate 1982-83 limited English proficiency aid formula.

APPENDIX C

STATE AID PAYMENT SCHEDULE TO SCHOOL DISTRICTS

This appendix describes the recommended variable schedule of payments to school districts which would eliminate the need of low-wealth school districts to borrow in anticipation of state aid.

A school district's payment schedule is determined as follows:

1. All school districts would receive a total of 25 percent of aid in equal payments of eight and one-third percent in September, October and November. No change from present payment schedule.

2. Early payments of state aid in the period December through March depend on the following:

   a) Each district would have a district payment ratio (DPR) computed as follows:

$$\text{DPR (3 decimals)} = \frac{(.75 \text{ base year aid less building aids}) - (.30 \times \text{base year TGFE}^{a} \text{ less building expense})}{\text{Base Year State Aid less building aids}}$$

   b) If the District Payment Ratio (DPR) is zero or less than zero, the district receives no additional payments during December through March. If would receive the remaining 70 percent of its regular aid payments in April, May, and June.

   c) If DPR is greater than zero, the amount of Total Special Payments (TSP) in December through March is computed as follows:

$$\text{TSP} = \text{DPR} \times \text{Total Current Year Aid (Section 3609 aids less building aids)}$$

   d) To calculate the months and payments:

$$\text{Total Monthly Payments} = \text{TSP} \div 10\% \text{ of Base Year TGFE (less building expense)}$$

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a TGFE is the abbreviation for Total General Fund Expense. These items are primarily funded with State and local moneys.

TGFE and Aid refer to those amounts less building aids/expense.

IF TOTAL MONTHLY PAYMENT AMOUNTS TO:	THIS IS THE PAYMENT SCHEDULE
Less than 10% Total General Fund Expenditure (TGFE)	The full total special payments amount is paid in March.
Between 10% and 20% of TGFE	Aid in March is 10% of TGFE; aid in February is the balance of total special payments.
Between 20% and 30% of TGFE	Aid in both February and March is 10% of TGFE; aid in January is the balance of TSP.
Between 30% and 40% of TGFE	Aid in each January, February and March is 10% of TGFE; aid in December is the balance of TSP.

No district has TSP greater than 40% of TGFE

Example -- 1982-83 Payment Schedule

$$DPR = \frac{(.75 \text{ Base Year Aid}) - (.3 \times \text{Base Year TGFE})}{\text{Base Year Aid}}$$

$$= \frac{(.75 \times \$2,130,535) - (.3 \times \$3,210,990)}{\$2,130,535}$$

$$= .297$$

TSP = DPR x Total Estimated Aid

= .297 x $2,177,127

= $646,606

Total Monthly Payment = TSP ÷ 10% of TGFE

= $646,606 ÷ $321,099

= 2.014

District would receive two payments of 10% of TGFE, $321,099, in February and March with the balance of TSP ($646,606 - (2x$321,099) equals $4,408) in January.